

EXHIBIT A

Receiver's Cross-Motion for Partial Summary Judgment

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

V.

JAMES R. ALGUIRE, ET AL.

Defendants.

Case No. 3:09-CV-0724-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

V.

MIGUEL VENGGER, ET AL.

Defendants.

Case No. 3:10-CV-0366-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

V.

JUAN JOSE RODRIGUEZ POSADA, ET AL.

Defendants.

Case No. 3:10-CV-0415-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

v.

GILBE CORP., ET AL.

Defendants.

Case No. 3:10-CV-0478-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.,

Plaintiff,

v.

JOHN W. WESTMORELAND, ET AL.,

Defendants.

Case No. 3:10-CV-0528-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

v.

JOHN E. COXE, ET AL.

Defendants.

Case No. 3:10-CV-0617-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

v.

JAMES C. BARR, ET AL.

Defendants.

Case No. 3:10-CV-0725-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

v.

INDIGO TRUST, ET AL.

Defendants.

Case No. 3:10-CV-0844-N-BG

RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.

Plaintiff,

v.

TONYA DOKKEN, ET AL.

Defendants.

Case No. 3:10-CV-0931-N-BG

investigating allegations of accounting and financial improprieties.

2. My firm, Navigant Consulting, Inc., is currently being compensated for my work on an hourly basis at the rate of \$504¹ per hour. This hourly rate does not exclude amounts subject to the Court's holdback order. [See Case No. 3:09-CV-0298-N, Doc. 1565.]

SEC action and FTI's investigation

3. On February 16, 2009, the United States District Court for the Northern District of Texas appointed Ralph S. Janvey as the Receiver for all entities owned or controlled by R. Allen Stanford, James M. Davis, Laura Pendergest-Holt, Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, and the other defendants in the case styled *Securities & Exchange Commission v. Stanford International Bank, Ltd., et al.*, Case No. 3:09-CV-0298-N (the "Stanford Entities"). On the same day, the Receiver retained FTI Consulting, Inc. (of which I was a Senior Managing Director) to perform a variety of services, including assisting in the capture and safeguarding of electronic accounting and other records of the Stanford Entities, forensic accounting analyses of those records (including cash tracing), and investigation of the underlying scheme. I oversee, and am personally involved in, the forensic accounting and cash tracing activities and the investigation of the Stanford Entities' scheme. The purpose of our work has been, in part, to: (a) determine the roles that the various Stanford Entities played in the Stanford Ponzi scheme and specifically in the sale and redemption of SIB certificates of deposit ("CDs"); (b) identify the source(s) of income and cash flows of the various Stanford Entities; (c) trace funds to determine how they were allocated and disbursed throughout the Stanford Entities; (d) investigate the circumstances surrounding the scheme and, in particular, the sale of SIB CDs; and (e) assist the Receiver in performing his duty to locate

¹ The Receiver has filed a motion for approval to amend the hourly rates at which he and his professionals, including myself, are compensated to allow them to bill at their 2015 rates less a 20% discount. [See Case No. 3:09-CV-0298-N, Doc. 2175.] My 2015 hourly rate less a 20% discount is \$546.00 per hour.

and recover assets traceable to the Receivership Estate.

4. Our continued analysis of evidence, including the documents and records of Stanford International Bank, Ltd. (“SIB”), Stanford Financial Group Company (“SFGC”), Stanford Financial Group Global Management (“SFGGM”), Stanford Group Company (“SGC”), and the other Stanford Entities and persons and the documents and other information referenced herein, was conducted using reliable practices and methodologies that are standard in the fields of accounting and finance. Further, based on our investigation, it is my opinion that such evidence is reliable and trustworthy and is the type of information upon which professionals in the fields of accounting and finance typically rely, when such information is available, during investigations of this nature.²

5. In further support of this declaration, I adopt and incorporate by reference my prior declarations and testimony listed below, which were also previously submitted to this Court in connection with related lawsuits, and can be obtained with their exhibits via the Public Access to Court Electronic Records system (“PACER”) for the United States District Court for the Northern District of Texas. These prior declarations without their exhibits have been included in the appendix to this declaration:

- July 27, 2009 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-2** [see also Case No. 3:09-CV-0724-N, Docs. 18, 616];
- March 26, 2010 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-3** [see also Case No. 3:09-CV-0724-N, Doc. 393];
- May 24, 2010 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-4** [see also Case No. 3:09-CV-0724-N, Docs. 444, 616];
- July 15, 2010 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-5** [see also Case No. 3:09-CV-0724-N, Doc. 487];

² See Statement on Standards for Consulting Services No. 11 (“SSCS No.1”). SSCS No. 1 is publically available on the AICPA’s website. <http://www.aicpa.org/InterestAreas/ForensicAndValuation/Resources/Standards/DownloadableDocuments/SCSS%20-%20CS%20Section%20100.pdf>.

- December 17, 2010 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-6** [*see also* Case No. 3:10-CV-0346-N, Doc. 37];
- June 1, 2011 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-7** [*see also* Case No. 3:09-CV-0724-N, Doc. 616];
- June 2, 2011 Supplemental Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-8** [*see also* Case No. 3:09-CV-0724-N, Doc. 616];
- June 7, 2011 Supplemental Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-9** [*see also* Case No. 3:09-CV-0724-N, Doc. 616];
- October 12, 2011 Supplemental Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-10** [*see also* Case No. 3:09-CV-0724-N, Doc. 784];
- December 5, 2011 Direct Testimony of Karyl Van Tassel, attached as exhibit **KVT-NWD-11** [*see also* Case No. 3:09-CV-0721-N, Docs. 115, 116]; and
- December 17, 2012 Declaration of Karyl Van Tassel, attached as exhibit **KVT-NWD-12** [*see also* Case No. 3:11-CV-0294-N, Doc. 38 through Doc. 56].

The Stanford Entities operated as a Ponzi scheme

6. Based on our investigation — and as set forth in my prior declarations and testimony listed above and attached hereto — I have concluded that the Stanford Entities were collectively operated as a Ponzi scheme since at least 1999. SIB, SFGGM, SFGC, and SGC were part of the Stanford Ponzi scheme.

7. Allen Stanford was sole owner, directly or indirectly, of more than 130 separate entities, including SIB, SFGGM, SFGC, and SGC. These entities comprised a single commonly owned financial services network called the “Stanford Financial Group,” which was headquartered in Houston and was controlled by Stanford and his close band of confidants.

8. The SEC alleges in its Second Amended Complaint in Case No. 03-CV-0298-N, attached as exhibit **KVT-NWD-13**, that the Stanford Entities constitute “a massive Ponzi scheme” involving “misappropriat[ion of] billions of dollars of investor funds.” Likewise,

James Davis, Chief Financial Officer for both SIB (according to SIB's published financial statements) and SFGC and a long-time business associate and confidant of Allen Stanford, has pled guilty to charges that he conspired with Allen Stanford and others in running a Ponzi scheme in violation of federal securities laws. *See* exhibit **KVT-NWD-14**. In connection with his guilty plea, Davis admitted that SIB was a "massive Ponzi scheme whereby CD redemptions ultimately could only be accomplished with new infusions of investor funds." James Davis admitted in his rearraignment, a transcript of which is attached as **KVT-NWD-15**, that the Stanford enterprise was a Ponzi scheme from the beginning. As explained in more detail below, my findings are consistent with the SEC's allegations and James Davis's admission that SIB and the Stanford Entities were a Ponzi scheme. Furthermore, I have not seen anything in the records that I have reviewed indicating that SIB and the Stanford Entities were not a Ponzi scheme.

9. Some of the Stanford Entities' roles in the Stanford Ponzi scheme are explained generally below:

- SIB is a wholly owned company of Stanford International Bank Holdings Limited ("SIBH"), and SIBH is a wholly owned company of R. Allen Stanford. SIB issued the CDs that were at the heart of the Stanford Ponzi scheme and was not a typical commercial bank. It had one principal product line — CDs — and one principal source of funds — customer deposits from CD purchases. From at least 1999 forward, SIB was insolvent (*i.e.*, its liabilities exceeded the fair value of its assets) and relied on proceeds from the sale of new CDs to make purported interest and principal payments to existing CD investors. *See* exhibit **KVT-NWD-8**, paragraphs 34-40. The SIB CD sale proceeds that were not used to pay off prior investors were widely disbursed throughout the Stanford Entities — including to SFGC, SFGGM, SGC, and STC — and to R. Allen Stanford.
- SFGC is a wholly owned company of R. Allen Stanford. SFGC provided shared services, including Treasury and Investment services, to SIB and other Stanford Entities. From at least 2000 forward, SFGC was insolvent (*i.e.*, its liabilities exceeded the fair value of its assets) and received SIB CD funds. *See* exhibit **KVT-NWD-12**, paragraphs 8-11.

- SFGGM is a wholly owned company of R. Allen Stanford. SFGGM provided management support services to other Stanford Entities, including accounting, IT, legal, marketing, and other administrative services. In addition, SFGGM received portfolio management fees from SIB. Many of SFGGM's management support services were ultimately outsourced to SFGC. From at least 2007 forward, SFGGM was insolvent (*i.e.*, its liabilities exceeded the fair value of its assets) and received SIB CD funds. *See* exhibit **KVT-NWD-12**, paragraphs 8-11.
- SGC is a wholly owned company of Stanford Group Holdings, Inc. ("SGH"), and SGH is a wholly owned company of R. Allen Stanford. The financial advisors for SGC marketed and sold thousands of SIB CDs and received bonuses, commissions, referral fees, and other forms of compensation for these sales. SGC also performed portfolio management and other services for SIB.

Sales of SIB CDs perpetuated the Ponzi scheme

10. SIB was not a typical commercial bank. It did not offer checking accounts and did not make loans (other than to certain CD investors for up to 80% of their CD balance). It had one principal product line — CDs — and one principal source of funds — customer deposits from CD purchases. The terms of some SIB CDs permitted partial redemptions before maturity upon customer demand.

11. SIB offered CD rates that were significantly greater than those offered in the United States. An SIB 2007 marketing brochure, attached as exhibit **KVT-NWD-16**, tracks SIB's historic CD yields against average US CD yields. The SIB CD's yields reflected in its marketing brochure ranged from a high of 388% of the US CD yield in 2002 to a low of 140% of the US CD yield in 2006. According to the brochure, SIB was able to pay high CD rates by investing in "a well-diversified portfolio of highly marketable securities issued by stable governments, strong multinational companies and major international banks." As a result, the brochure continues, "[SIB] has been consistently profitable since inception." In other words, SIB purported to function like a hedge fund but, unlike a hedge fund, its customers were guaranteed (by SIB) a specified return regardless of the fund's performance.

12. SIB's reported returns were remarkably steady, fluctuating only from 11.7% to 14.9% between 1997 and 2007. SIB showed a profit in economic good times and in bad. The one exception was the second half of 2008, when financial sector businesses across the globe were struggling for survival and many feared they were on the brink of financial collapse. Even then, SIB's accounting records reflected positive investment earnings, but a small overall loss — just 2% of total (purported) financial assets — after deductions for purported CD interest and other expenses. What to some appeared to be too good to be true was indeed untrue. As Stanford himself said at an October 2008 financial advisor conference: "We're about, as of early October, down about four percent, I guess. . . . I'm not happy with that [but] in this market I guess it's astounding."

13. SIB CDs were marketed through financial advisors employed by other Stanford-owned entities. The financial advisors were heavily incentivized by above-market commissions and bonuses to steer their clients to SIB CDs rather than other investments. SIB incentivized Stanford-affiliated financial advisors to convince their clients to purchase SIB CDs over other kinds of investments by paying the financial advisors above-market commissions and other compensation tied to CD sales and to the retention of the CDs within SIB.

14. The most significant numbers on SIB's financial statements — revenue and asset value — were fictitious. Davis states in his plea agreement that assets were inflated to offset CD obligations and that revenue was "reverse-engineered" to arrive at desired levels. My findings are consistent with those admissions.³

15. We found within SIB's accounting records worksheets used to derive fictitious SIB revenue back to 2004. The Ponzi scheme conspirators would simply determine what level of fictitious revenue SIB needed to report in order to both look good to investors and regulators

³ James Davis Plea Agreement (KVT-NWD-14)

and purport to cover its CD obligations and other expenses. They would then back into that total amount by assigning equally fictitious revenue amounts to each category (equity, fixed income, precious metals, alternative, etc.) of a fictitious investment allocation.

16. The returns were fictitious, and they were based on fictitious asset totals:

SIB's records reflected that, as of December 31, 2008, it held \$8.3 billion in "financial assets" — presumably actively traded securities and metals, as SIB represented to the public. The reality was much different. As of the end of 2008, SIB held less than \$500 million in securities, or less than 7% of the total CD obligations.

We also discovered that \$3.174 billion of SIB's claimed 2008 assets consisted of two real estate holding entities that had been purchased that same year for only \$63.5 million and whose only assets were tracts of undeveloped Antiguan real estate. The value of those assets was inflated by 50 times the purchase price through a series of paper transactions involving other Stanford-owned entities. These repetitive flips had no apparent economic substance and appear to have been engaged in solely to grossly overstate the value of the assets so as to prop up SIB's balance sheet.

I and my team found that at least another \$1.8 billion in SIB assets consisted of notes receivable from Allen Stanford. Based on our investigation, however, Allen Stanford had no significant assets apart from the various Stanford Entities, which collectively owed billions of dollars more than the fair value of their combined assets.

Other assets were similarly overstated. Private equity investments, for example, were recorded on SIB's books at amounts that the Receiver's subsequent sales efforts have revealed to be many times greater than their realizable value. These were valued at \$1.2 billion as of June 30, 2008, but it is expected that the Receivership will realize far less than that amount.

Moreover, the fact that many of SIB's assets consisted of real estate, unsecured notes from Allen Stanford, and private equity investments was contrary to SIB's assurances to customers that its investments consisted of "highly marketable securities issued by stable governments, strong multinational companies and major international banks" so as to "maintain[] the highest degree of liquidity." *See* exhibit **KVT-NWD-16** at 3.

17. Misinformation regarding SIB's financial strength, profitability, capitalization,

investment strategy, investment allocation, the value of its investment portfolio, and other matters, was regularly disseminated from Stanford, Davis, and others working under them to Stanford financial advisors, for use in inducing potential investors to purchase SIB CDs. SIB induced investors to buy CDs by offering substantially above-market rates, issuing financial statements and other data that significantly overstated its earnings and assets, and misrepresenting its business model, investment strategy, financial strength, the safety and nature of its investments, and other facts important to investors.

18. SIB's CD liabilities increased significantly between 1995 and the institution of the Receivership on February 17, 2009.

Balance Sheet Date	Customer Deposit Liability	Annual Change in Customer Deposit Liability
December 31, 1995	\$253,669,192	N/A
December 31, 1996	\$366,968,815	\$113,299,623
December 31, 1997	\$412,167,924	\$45,199,109
December 31, 1998	\$479,469,307	\$67,301,383
December 31, 1999	\$623,559,959	\$144,090,652
December 31, 2000	\$772,261,025	\$148,701,066
December 31, 2001	\$1,116,454,586	\$344,193,561
December 31, 2002	\$1,606,062,398	\$489,607,812
December 31, 2003	\$2,083,397,998	\$477,335,600
December 31, 2004	\$2,827,941,493	\$744,543,495
December 31, 2005	\$3,763,011,040	\$935,069,547
December 31, 2006	\$5,010,083,766	\$1,247,072,726
December 31, 2007	\$6,689,964,303	\$1,679,880,537
December 31, 2008	\$7,431,630,364	\$741,666,061

February 17, 2009	\$7,191,011,843	\$(240,618,521)
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19. Through analysis of SIB's financial records, my team and I have determined that SIB was insolvent from at least 1999 forward. SIB's reported assets consisted overwhelmingly of "financial assets" and cash. The published balance sheets represented that "financial assets" were reported at "fair value." Of course, cash, by definition, is stated at fair value (assuming correct reporting). We know, however, from our investigation and review of internal SIB records that the fair value of the SIB financial assets was much smaller than reported. Each year, from 1999 forward, SIB's reported asset totals included, without disclosure to the public, notes receivable from Allen Stanford and certain assets with clearly inflated values. When these amounts are deducted from the asset totals contained in SIB's published financial statements, it is apparent that, from at least 1999, SIB's liabilities exceeded the fair value of its assets. Stanford's promissory notes were of no real value, because his apparent wealth was based on the SIB Ponzi scheme. Moreover, private equity stakes initially held by other Stanford Entities (although likely purchased with SIB CD proceeds) were transferred to Allen Stanford, and then from Stanford to SIB, which recorded them on its books at much inflated values with no apparent economic substance or gain. These transfers appear to have been booked for the purpose of giving SIB the false appearance of financial strength based upon the manner in which the transactions were recorded and related notes on supporting documentation. It is likely that other SIB assets were also fictitious or overvalued, as we saw in our analysis of 2008 data.

20. Through an analysis of cash flows for the period January 1, 2004, through February 17, 2009, we have verified that proceeds of CD sales were used to make purported interest and redemption payments on existing CDs. This analysis just confirmed what we knew

had to be true anyway, as SIB's assets, reserves, and investments were insufficient to fund its purported redemption and interest payments. For example, SIB's CD transaction records indicate that approximately \$2 billion was paid to investors for principal and interest from January 1, 2008, through February 17, 2009. SIB's legitimate principal income-generating assets, which were managed in what was known as "Tier 2," never totaled more than \$1 billion, even when the stock market was at a high and the economy was strong. By the end of 2008, "Tier 2" had declined to less than \$500 million, due to a combination of increasing redemptions and liquidations and falling market values. Even if SIB had fully liquidated all investments in its portfolio, it would not have realized enough cash flow to cover just the redemptions in 2008 without the influx of new CD purchase money. And in fact, when the market declined, we know that it took only 4 months for liquid assets to substantially deplete, even though \$7.2 billion in CD obligations remained. As a result of this decline, all actual gains earned on the "Tier 2" investments since 2003 were lost. Thus, although the SIB CD portfolio contained some legitimate investments, the earnings from those investments were negligible in comparison, and could not reasonably have been expected, to cover SIB's total obligations to the CD holders.

21. Based on our analysis to date, I have concluded that from at least 1999 forward, SIB relied on proceeds from the sale of new CDs to make purported interest and principal payments to existing CD investors. This is especially evident from the fact that, when CD sales faltered in 2008, SIB was immediately forced to sell off most of its assets that were readily available for liquidation just to maintain payments for a short time. By using the proceeds of new CD sales to pay interest and redemptions to existing CD holders, Stanford, Davis, and their cohorts perpetuated the Ponzi scheme.

22. CD sales proceeds not used to pay purported interest, redemptions, and current operating expenses (including commissions and other incentive payments to financial advisors in other Stanford Entities) were either placed in speculative investments (many of them, such as real estate and private equity deals, illiquid), diverted to other Stanford Entities, including SFGC and SFGGM, “on behalf of shareholder” (*i.e.*, for the benefit of Allen Stanford), or used to finance Allen Stanford’s lavish lifestyle (*e.g.*, jet planes, a yacht, other pleasure craft, luxury cars, homes, travel, company credit card).

23. A tipping point was reached in October 2008: that month and every month thereafter, incoming funds from new investors were insufficient to offset outgoing payments to existing investors. Continuing CD sales could no longer cover purported redemptions, interest payments and normal operating expenses. This cash flow crisis caused a rapid depletion of liquid assets, which were inadequate to begin with to cover SIB’s CD obligations. By the time the U.S. Receivership was instituted, SIB had already suspended redemptions for certain investors and many Stanford Entities had stopped paying many contractual obligations. For example, SIB received negative publicity concerning its failure, in early February 2009, to fund a \$28 million commitment to a Florida communications company named Elandia International Inc.

24. Notwithstanding SIB’s insolvency (net assets minus net liabilities) and the rapid liquidation of its investments during 2008 and into 2009, CD sales continued until February 16, 2009, when the SEC and the U.S. Court intervened. SIB’s actual (as opposed to reported) earnings and assets were insufficient to meet its CD payment obligations. SIB could only keep the scheme going by selling yet more CDs and using the proceeds to pay redemptions, interest, and operating expenses. These CD purchases were too small, however, to continue to cover for

the lack of assets owned by SIB.

Payments Received by the Net-Winner Defendants

25. The Receiver has sued the SIB investors listed in exhibit **KVT-NWD-17** (the “Net-Winner Defendants”), each of whom received funds from SIB in excess of their respective SIB investments (their “Net Winnings”). The purported interest and principal payments received by the Net-Winner Defendants consisted overwhelmingly of proceeds from the sale of CDs to other SIB investors. A detail summarizing the total withdrawals of purported principal and purported interest for each Net-Winner Defendant is also contained in exhibit **KVT-NWD-17**.

Conclusion

26. As noted above, SIB’s earnings were grossly insufficient to cover the purported interest that it paid on CDs. It relied overwhelmingly on the proceeds of new CD sales to pay purported interest and principal redemptions on existing CDs. Thus, the SIB withdrawals – whether in the form of purported interest, principal redemptions, or otherwise – that the Net-Winner Defendants received (including any Net Winnings) did not constitute true returns of invested capital. Instead, such payments of purported interest and principal to the Net-Winner Defendants consisted overwhelmingly of funds that SIB had obtained from other CD investors.

I state under penalty of perjury that the foregoing is true and correct. Executed on this 4th day of August, 2015.

A handwritten signature in black ink, appearing to read 'Karyl Van Tassel', written in a cursive style.

Karyl Van Tassel

EXHIBIT KVT-NWD-1

August 4, 2015 Declaration of Karyl Van Tassel

Karyl M. Van Tassel, CPA

Karyl Van Tassel
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Professional History

- Navigant Consulting, Inc.
2015 to Present
- PricewaterhouseCoopers
2011 - 2014
- FTI Consulting
2003-2011
- KPMG
1999-2003

Education/Certifications

- B.S. in Business Administration,
emphasis in accounting from
University of Northern Colorado
- Certified Public Accountant, Texas

Professional Associations

- American Institute of Certified Public
Accountants
- Texas Society of Certified Public
Accountants

Karyl Van Tassel is a Managing Director in the Houston office of Navigant providing Dispute & Investigative services. She has over twenty-nine years of experience providing a variety of litigation and investigative consulting, forensic accounting, audit, tax, valuation and other financial advisory services.

Ms. Van Tassel has been designated as an expert on valuations of closely held businesses, assessing claim submissions by outside parties, other economic damage claims and forensic accounting issues and has performed detailed financial analyses in a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. Audit committees and companies have also retained her to assist in investigating allegations of accounting and financial improprieties, appearing before the Department of Justice and Securities and Exchange Commission to deliver the findings. She has also been retained by court appointed Receivers to provide financial consulting services.

Prior Professional Experience

Ms. Van Tassel was a Partner at PricewaterhouseCoopers (PwC) in the Advisory Forensic Services practice where she was also the Forensic Energy Sector leader based out of the Houston office. Prior to joining PricewaterhouseCoopers (PwC), Ms. Van Tassel was a Senior Managing Director in the FTI Consulting Forensic and Litigation Consulting practice. Prior to that, she was a partner in KPMG's Forensic Dispute Advisory Services practice. She has also provided audit and tax services to auto dealerships, construction clients and governmental agencies. In addition, she has provided accounting services and investment analysis to a financial institution

Forensic Accounting

- Retained by court appointed receiver in one of the largest alleged ponzi schemes in the U.S to lead the forensic accounting investigation and data preservation efforts. Led a team of over 100 professionals from the inception of the receivership to identify assets of the financial institution and more than 100 related companies, trace cash movements between the entities, monetize assets for investors, as well as to preserve information, data and assets of the estate. She assisted in the establishment of the claims process for several thousand investors. Assisted various regulators including the DOJ, SEC, IRS, and US Postal Service among others by providing information obtained during the course of the investigation. Provided over forty declarations and affidavits in cases pending in several domestic and foreign jurisdictions. Provide testimony in deposition and hearings related to sources of assets, the characteristics of a ponzi scheme, cash tracing and sources of funds within the various organizations.
- Retained by court appointed receiver to investigate and track \$85 million of funds embezzled by the CFO of a Texas energy company. Searched the company records to determine the amount of the embezzled funds, and determine the various schemes used to remove the funds from the company. After tracing the amount removed from the company, then traced assets through multiple shell companies and personal bank accounts, utilizing accounting information and electronic data obtained through email, hard drive and server sources. Worked with receiver on monetizing assets recovered.
- Involved in various investigatory matters related to compliance with Foreign Corrupt Practices Act (FCPA), including assisting a monitor appointed under a deferred prosecution agreement of a company to analyze accounting and internal control procedures. Prepared work plan for compliance testing and directed site visits, conducted interviews and assisted in preparing report of findings. As a result of our work, have reported to head of enforcement at the Department of Justice. With the three year term of the monitorship, have ongoing responsibilities for follow up with the company and oversight of responses to monitor's requests and reported findings, as well as follow up site visits for each year.
- Retained by audit committee of a drilling company to investigate issues related to potential FCPA violations. One issue involved potential payments by the company to paramilitary groups in a Latin American country for protection of its rigs against attack. Work involved determining whether payments were made by false invoices from an authorized vendor, the authenticity of the endorsements and bank accounts used for payments to these vendors, and the background investigatory work to determine ultimate recipient of funds. Additionally, investigated payments made in a West African country to a freight handler and potential governmental authorities. Analyzed invoices and payments, traced cash used to fund payments to the various entities to determine source of the funds, determined completeness through general ledger testing, and compiled findings for reporting to the Department of Justice.
- Retained by the audit committee on matters related to allegations of round trip trading in the energy industry. Assisted in providing multidisciplinary teams to extract data, analyze trades, document risk management practices and analyze appropriate accounting treatment, including potential restatement. Reports provided to audit committees to assist them in responding to SEC inquiries and investigations.

- Retained by company to perform analysis of costs incurred for provider of energy in submitting a claim in the refund of overpayments related to the California power settlements. Reviewed regulatory filings to determine if costs and methodologies complied with FERC guidelines and state mandates. Analyzed source documents as well as documenting the methodology utilized for compiling the information.
- Retained by counsel for a special committee of a publicly traded software company to investigate allegations of potential backdating of stock options. Led a team of accounting and electronic evidence personnel to assist in acquiring and analyzing written and electronic information related to the stock option process and individuals involved. Worked extensively with counsel analyzing accounting issues related to measurement dates and the appropriate accounting of stock grants for new hires, new account acquisition, employee ranking, compensation in lieu of cash, and sales incentive plans. Analyzed appropriate accounting treatment and estimate of annual financial impact based upon alternative measurement dates. Reported results to Board of Directors and auditors of the company.
- Retained by the audit committee of an electronics company to investigate allegations by the SEC related to revenue recognition issues, overstatement of inventory and property, plant and equipment and self-dealing by top level executives. Company eventually settled with the SEC and announced restated financial statements
- Analyzed historical rates of return for a variety of mutual funds and equity investments to determine the impact of various investing options related to the assets of a trust. Compared actual returns to several indices to determine the difference and the potential damages allegedly incurred by the trust.
- In a securities matter related to the mining industry, analyzed the impact of the accounting and financial disclosures on the stock of a company. Analyzed various returns on equity investments for guideline companies in the industry as well as equity indices to measure impact of announcements and disclosures on the company stock.
- Retained by a hospital chain to analyze billings to Medicaid and insurance providers to determine if billings were appropriate based upon contractual provisions and consistent with the patients file and diagnosis. Worked with multidisciplinary team to consisting of computer specialists to retrieve data, database specialists to analyze information and medical personnel to review medical files.
- Retained to analyze various factors and transactions in matters asserting alter ego claims. Involved in a variety of matters where we provided detailed analyses of corporate governance, financial operational and control factors to determine the extent to which the information would indicate the existence of separate entities.
- Involved in analyzing various complex financial and accounting transactions regarding alleged improprieties in a variety of industries, either for internal investigations or litigation.
- Analyzed accounting treatment of revenues and related party disclosures for a defendant in a securities matter. Software company allegedly had overstated revenues by inappropriate application of accounting principles and improperly disclosed various related party transactions.

- Analyzed and traced assets between various related and affiliated companies, which involved complex accounting treatments. Traced cash and other assets to offshore companies. Testified in hearing for contempt of court regarding the disposition of certain cash receipts subsequent to the issuance of a temporary restraining order that limited the transfer of assets.
- Analyzed the alleged fraudulent activities of two major auto body repair shops for an insurance company. Determined the overall profitability of the auto body repair shops compared to the industry as a whole. From a large production of documents, also determined the availability of financial documents from the body shops, and their relationship to and substantiation of the results of inspections performed on vehicles after the repairs were completed. Assisted the economist in regards to the total business conducted over a 15-year period and extrapolated sample results to the entire population.
- Reconstructed the trust accounts of a real estate company after a fire suspected to be caused by arson. Determined amounts had been misappropriated for the personal use of various brokers. Analysis used in criminal investigation.
- Analyzed the accounts of a real estate developer accused by a family trust of misappropriation of funds. Analysis included complex transactions between 22 related partnerships. Included database extractions of various computers and synthesizing thousands of records to determine ultimate disposition of proceeds from investments.
- Retained by a lender to the defendant in a case involving an alleged ponzi scheme in the computer hardware industry. Analysis included determining the flow of transactions in the company between actual business operations and alleged fraudulent activities. Utilized large-scale database application to track transactions within the company, to the bank and to the potential investors. Analyzed the companies banking transactions to determine if the bank had allowed a "float" on the account, which the trustee alleged to be an additional loan to the company from the bank. Engagement resulted in settlement with company trustee.
- Analyzed the billings of a construction company related to the renovation and partial construction of a residence. Analyzed application of percentage of completion in monthly billings to determine overcharges throughout a three-year construction period.
- Analyzed the costs of producing a compact product for shipping hazardous materials. Determined if improper allocations were made based upon cost accounting theories, resulting in overcharging to clients.

Contract Disputes

- Analyzed payments made under agreements between joint venture partners or under third party contracts for the pricing of natural gas, oil, chemicals, feedstock and other products in the energy sector.
- Analyzed the payments made under a treaty whereby client ceded obligations under a reinsurance agreement in the variable annuity business. The allegations involved whether the contract was wrongfully terminated if underpayment of premium had not been made by insurance company to reinsurer. The issues involved included obtaining an understanding of the payment terms for the reinsurance coverage over an extended period on reinsurance of the guaranteed minimum death benefit of variable annuity life insurance policies. Led a

multidisciplinary team working with large volumes of transactions data. Team included data analysis and electronic discovery specialists for the extraction of data over an extended time period with millions of transactions. Also, worked with actuaries to understand variables assumed in their analysis of the book of business and with underwriters to understand policies and procedures. Testified in arbitration that client had not underpaid over the period of time at issue in the matter.

- Analyzed the economic damages in a breach of contract and tort matter between client insurance company and a third party administrator. Analyzed the damages alleged by plaintiff's damage expert and provided rebuttal analysis of damages. Issues in the damage calculation related to valuation of a book of business for dread disease policies and calculation of amounts owed under a contract.
- Analyzed the economic damages sustained by an investor in a failed joint venture in a urea plant in Columbia. Opinion included a valuation of the business enterprise as of the date of the alleged breach, involving various analyses of the urea market, the prospective operation results and ability to attract lenders.
- Analyzed the lost profits sustained by a petrochemical company related to an alleged breach of a joint venture/operations agreement. Issues related to imbalance in the manufacturing facility due to inappropriate levels of various feedstock to the plant. Inability to maintain contracted levels of product forced inefficient plant operations, decreasing profitability.
- In a breach of contract dispute, analyzed the economic losses sustained by the creator and distributor of personal care products. Analysis included working with a marketing expert to determine effects of demographic differences of consumers on buying habits and its impact on the subject company's profits and long-term viability.
- Analyzed the economic damage claim of a producer of accounting software. Provided testimony with regard to the out-of-pocket costs incurred for an internally developed product, which was used to replace the component, which the defendant did not deliver. Also analyzed the lost profit damages under a first to market theory.
- Analyzed the lost profits of a used car dealership related to a breach of contract. Analyzed industry margins compared with subject and other market conditions.
- Analyzed the economic damages of an exclusive distributor of sporting good products due to product defects. Calculated the economic impact to the distributor over an eight-year period, including lost profits, carrying costs of inventory and other incremental costs. Project necessitated analyzing the performance of over forty products and determining the cause factors impacting the diminution of profits.
- Determined the lost profits allegedly sustained by a provider of programming to the hotel industry, related to a breach of the right of first refusal for a satellite transponder. Coordinated industry experts in various areas including hotel/motel management, advertising, consumer demands, economic trends, cable programming and venture capital availability to analyze the feasibility of the programmer's claim.
- Calculated the economic damages, including lost profits and incremental expenses, in the largest asbestos case in Colorado for a major suburban shopping mall.

- In a contract dispute, determined the value of the restaurant operations included as part of a major Colorado ski resort. Analyzed market trends and restaurant industry comparables for use in the valuation. Also used industry information to benchmark against actual results, to determine management effectiveness.
- Analyzed the value of a franchise fast food establishment related to a breach of contract. Engagement included analyzing various offering circulars for franchises to determine relevant value drivers for similar franchises. Analyzed demographic data related to California communities included in franchise agreement.
- Analyzed a lost profit claim related to a chain of fast food restaurants in a breach of contract matter. Analyzed store-by-store financial metrics to determine average store results compared to subject stores. Analyzed economic and demographic trends in areas adjacent to subject stores.

Intellectual Property

- Analyzed the economic damages allegedly sustained by companies alleging theft of trade secrets in the energy, high tech manufacturing, and telecommunications sectors. Calculated losses on a variety of bases based upon the circumstances of the case including the Plaintiff's losses, Defendant's profits (unjust enrichment), reasonable royalty and other methods for payment of property misappropriated. Performed detailed analysis of client overlaps, working with industry experts as needed.
- Analyzed the economic damages sustained by a construction product manufacturer due to an alleged patent infringement. Also analyzed the lost profits of the defendant company in a counterclaim for breach of contract. Analyzed market potential for the product, impact of non-infringing substitutes, marketing and distribution channels and other factors impacting sales volume and expenses.
- Analyzed the economic damages sustained in a patent infringement matter by an inventor in the sporting goods industry. Detailed analysis including addressing Georgia Pacific factors related to determining a reasonable royalty. Opinion included market royalty rates, royalty rates on other company products, incremental gross profit on patented property, and profit split method.
- On a consulting basis, analyzed the damages of a producer and global marketer of rubber-based products. Allegations included patent infringement trademark infringement, copyright violations, theft of trade secrets and fraud. Claim for damages exceeded \$1 billion. Working for the defendant, analysis included impact of market and distribution channels on lost profits as well as reasonable royalty calculation.
- Analyzed the economic damages of one of the largest software companies in the world related to a patent infringement case. Analysis included determining product gross profitability for those alleged to have infringed the property. Also assisted in analyzing the appropriate royalty rate and allocating the revenue to the patented and nonpatented features of the product. Case settled for \$100,000,000 less than claim.
- Analyzed the damages in a patent infringement matter related to modular cells for prison units. Engagement included a detailed analysis of a reasonable royalty, based in part upon the Georgia Pacific factors. Reasonable royalty was based upon market derived data, established rates by licensor and licensee, prior licensing history between the parties and analytical analysis of various profit measures.

- Analyzed value of patented technology for various biomedical devices held by a company for a potential acquisition. Analyzed the patented and nonpatented products to determine synergies and purchase drivers between the products since only a portion of the portfolio of products was to be purchased. Also considered impact of governmental approval process on value of patented properties that were still in clinical trials. Determined range of values based upon reasonable royalties obtained in the market place and from other analytical measures.
- Analyzed the value of patented technology in a laser device used for noninvasive surgeries and dental work for a transfer to an off-shore entity for tax purposes. Engagement included analyzing the profit stream from the laser device as well as market derived rates.
- Analyzed the range of reasonable royalty for physicians developing a drug for cancer treatment. Patented property was related to improving efficacy of radiation treatments. Using analytical data and market derived rates, assisted in negotiating license with a biotechnology company.
- Analyzed the economic losses in a matter involving the alleged infringement of trademarks for a line of personal beauty products. Testified for the defendant in deposition regarding the economic damages sustained as well as presented counter claim testimony. Issues included analyzing relevant markets for personal care products, product survey information regarding product characteristics influencing buyers decisions, internet advertising, and product distribution channels for impact on damage analysis. Case resolved in settlement.
- Analyzed the lost profits sustained by the developer of a sporting good product resulting from an alleged trademark infringement. The economic damages were calculated both as the lost profits of the developer of the product based upon its own historical results as well as analyzing the profits of the alleged infringing entity. Also analyzed damages related to the cost of corrective advertising in conjunction with an advertising expert.
- Testified for the defendant in an injunction hearing regarding the nature of the advertising revenue as the primary source of income, the overlap in advertising between the “webzine” and magazine and the potential impact on economic damages. Case related to an alleged trademark infringement by a “webzine” of a magazine title.
- Analyzed damages of plaintiff related to disparagement of Ameritech Corporation’s management of the alarm company post-acquisition. The case related to the alleged infringement of a trademark for a burglar alarm company purchased by the plaintiffs. Analyzed detail records of clients for overlap caused by clients subscribing to the defendant company due to disparaging information supplied to Ameritech clients in violation of a noncompete agreement as well as infringing use of trademarks.
- Performed royalty examinations for a multinational software company. Supervised multilingual and disciplinary teams to perform royal “audits” in several countries and domestically. Developed regular maintenance program for ongoing audits of contracts on a scheduled basis. Resulted in recovery in excess of \$10,000,000, and assisted in favorable renegotiations with joint venture partners.
- Performed a royalty examination in a dispute between a software producer and distributor. Calculated the economic damages allegedly sustained by the software producer due to the alleged under reporting of software sales. Testified in arbitration regarding the results of our findings.

- Performed royalty examinations of five different licensees under contract “audit” rights for a developer of software. Worked with clients and licensees to resolve disputes, recovery of more than \$1,500,000, and renegotiation of contracts.

Insurance Claims

- Analyzed the claim by a hospital related to the flooding of the facility. Engagement involved detailed analysis of the impacted departments and the financial impact of substituting less profitable services for higher margin services due to inability to provide full service medical operations. Also analyzed specific incremental staff costs incurred during the flood and cleanup period.
- Analyzed and assisted in preparing the claim of a large food manufacturer related to an explosion and fire in its primary manufacturing facility. Claim exceeded \$100 million, which was settled expeditiously.
- Assisted risk management officer in analyzing a claim related to a fire at a resort community. Claim involved business interruption for a variety of resort functions as well as property losses.
- Assisted in preparing the claim for a large training facility related to computer outages from lightning strikes. Analyzed business interruption claim and collateral losses. Claim eventually was settled in litigation.
- Assisted in claim related to a power outage for several business related to extended power outages related to a major train derailment.

Post-Acquisition Disputes

- In a post-acquisition dispute, analyzed the results of certain long-term contracts obtained as part of a purchase of an international engineering firm. Analyzed the accounting treatment and financial results of the contracts, both pre- and post-acquisition, and the impact on the valuation of the business.
- Analyzed the lost profits due to alleged fraudulent misrepresentations in a purchase of a restaurant chain. Analysis included store-by-store data of prospective revenue and profitability, compared to those actually achieved. Analyzed market and economic trends in regions in which the restaurants operated to determine impact on profitability and sales from issues unrelated to the alleged misrepresentations.
- Served as an arbitrator in a dispute involving the closing balance sheet working capital provisions of a purchase agreement. In the medical insurance industry, analyzed the proposed adjustments to working capital including accounts receivable, reserves for losses and contingent liabilities.
- Prepared a claim of working capital adjustment related to the closing-balance sheet provisions of a purchase agreement in the computer storage industry. Analysis included inventory accounting, accounts receivable and deferred revenue.
- Analyzed the propriety of accounts receivables included in the representations and warranties in the purchase of an environmental services company. Allegations involved intentional overstatement of accounts receivable later determined to be uncollectible by the purchaser.

Construction Industry

- Retained by the audit committee of Fortune 500 company to analyze historical accounting issues related to accounting for long-term construction contracts. Issued report and had meetings with the SEC to discuss findings and accounting issues.
- Analyzed the lost profits to a large engineering firm related to the inability to complete the construction of a polystyrene plant in the Middle East. Analysis involved analyzing the percentage of completion methods and determining profit at time of invasion, compared to projected profit had the event not occurred. Claim was submitted to the neutral arbitrators in Switzerland.
- Provided rebuttal analysis of a \$20 million claim for lost profits in a construction claim for an Arkansas highway project. Addressed the issues of causation as well as analyzing the underlying assumptions of the lost profit claim. The indirect claim for lost profits was dismissed on summary judgment, in part based upon our financial analysis of the causation issue.

Telecommunications

- Analyzed the economic damages of a company that terminates traffic for other telecommunications companies who provide a variety of services to end-users. In a contract dispute with one of its clients, analyzed the lost profits as well as the diminution in the value of the business. Analysis included determining network capabilities in regions covered by the agreement during peak and off-peak time periods to determine availability of volume due to switching constraints.
- Analyzed the economic damages asserted in a class action matter against a RBOC. Analysis included detailed records for thousands of customers asserting held order claims over a six-year time period. Downloaded data records related to customer orders, service delivery, billing and customer data. Analyzed relevant tranches of class participants and related damages.
- Analyzed payments made by a major telecommunications company to a switching vendor over a five-year period of time. Based upon contract terms, worked with the company's engineers to determine how the provisioned switching products impacted the billing requirements under the contract. Analysis related to whether charges made by switching vendors were in excess of contract terms. Analysis resulted in multi-million dollar settlement with vendor.
- Analyzed payments made by a major telecommunications company to a single source construction vendor. Issues related to the propriety of charges incurred compared to services delivered over a period of several years. Analysis was used for negotiating a new contract with the contractor.
- In a contract dispute assisted in analyzing the viability of a "C-Block" license holders' business plan and the reasonableness of the company valuation. Researched "C-Block" license auction values and results of operation of "C-Block" auction recipients.
- Oversaw an engagement in which 200 competitive local exchange carrier (CLEC) contracts were analyzed to extract compliance issues for billing and provisioning by a major telecommunications company. Results provided service representatives with information for communication with CLEC's.

Miscellaneous

- Prepared analyses of lost wage claims, lost profit claims and incremental costs incurred in various personal injury matters. Based upon the opinions of rehabilitation specialists and career counselors, prepared damage analysis based upon the estimated reduction in worklife expectancy, decreased earnings potential or incremental costs incurred related to the alleged injuries.
- Analyzed value of businesses conveyed in pre-bankruptcy transactions related to claims of fraudulent conveyance.
- Assisted in economic analyses related to wrongful termination matters, including lost wage and benefit claims.
- Valued the stock of closely held businesses in a dissenting shareholder action, lender liability matter, condemnation proceeding and various marital dissolutions.
- Valued the stock of a closely held chain of restaurants for the purpose of spinning off certain restaurants to form a new company.
- Valued the stock of the largest oyster processing company in the world for a northwest financial institution. The bank had acquired the company through foreclosure and required the valuation as part of its internal procedures required to sell the entity to an outside party.
- Valued a 50 percent ownership interest in an alarm monitoring company for a buyout of the partial owner's interest.

Professional and Business Affiliations

- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

Education and Certifications

- B.S. in Business Administration, emphasis in accounting from University of Northern Colorado
- Certified Public Accountant, Texas

Summary of Testimony

Case	Case Number	Type of Testimony	Law Firm Client	Year
<i>SOURCECORP, Incorporated, SOURCECORP DMS, Inc. and Information Management Services, Inc. v. Steve Shill, Rita Shill, Robin Meyer, and Mark Meyer</i>	No. 76Y1160016303ARN, American Arbitration Association	Testimony, Arbitration	Steptoe & Johnson	2004
<i>David Graben and Frank Strickler v. Western Reserve Life Assurance Company of Ohio; Intersecurities, Inc., and Timothy Hutton</i>	03-08-648 The District Court of Wise County, Texas 271 st Judicial District	Trial	Akin, Gump, Strauss, Hauer & Feld	2005
<i>Rodney Montello, et al v. Alcoa Inc., Reynolds Metals Company, Bon L. Campo and Tredegar Corporation</i>	The U.S. District Court of Southern District of Texas Victoria Division Civil Action No: V-02-84	Deposition	Baker Botts	2006
<i>Bencor, Inc. v. The Variable Annuity Life Insurance Company</i>	AAA Arbitration	Arbitration	Akin, Gump, Strauss, Hauer & Feld	2006
<i>Highland Crusader Offshore Partners, L.P. et al v. Motient Corporation</i>	Cause No. 05-07996 In the District Court, Dallas County, Texas E-101 st Judicial District	Deposition	Fulbright & Jaworski Lackey Hershman	2007
<i>Gascoigne Melotte Holdings LLC (U.S.A.), Boumatic LLC (U.S.A.), Boumatic-Melotte SPRL (Belgium) v. Punch Technix N.V. (The Netherlands), et al</i>	In the International Chamber of Commerce Court of Arbitration	Arbitration	Baker Botts	2008

Case	Case Number	Type of Testimony	Law Firm Client	Year
<i>Fair Isaac Corporation v. Texas Mutual Insurance Company</i>	Civil Action No. 4:05-CV-03007 in the United States District Court for the Southern District of Texas Houston Division	Deposition	Baker Botts	2008
<i>RCA Holdings, Ltd, et al., v. Commonwealth Insurance Company, et al.</i>	Cause No. 2004-02048 in the 61 st Judicial District Court of Harris County Texas	Deposition	Akin, Gump, Strauss, Hauer & Feld	2010
<i>Arthur R. Hausmann; Arthur R. Hausmann P.C. Defined Benefit Pension Plan; and Arthur R. Hausmann P.C. Defined Benefit Pension Plan Trust v. Union Bank of California, N.A. Investment Services LLC; The Hartford Life and Annuity Insurance Company; Christopher Montagna; William Fortner; Economic Concepts, Inc. ("ECI"); and DOES 1-100</i>	Case Number: SA CV 07-1436 AHS (MLGx) in the United States District Court, Central District of California	Deposition	Morrison Foerster	2010
<i>Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al v. James R. Alguire, et al</i>	Case No. 3:09-CV-0724-N in the United States District Court for the Northern District of Texas Dallas Division	Deposition	Baker Botts	2010
<i>Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al v James R. Alguire, et al</i>	Case No. 03:09-CV-0724-N in the United States District Court for the Northern District of Texas Dallas Division	Deposition	Baker Botts	2011

Case	Case Number	Type of Testimony	Law Firm Client	Year
<i>Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al v Dillon Gage Inc. of Dallas and Dillon Gage Inc.</i>	Case No. 03:10-cv-01973-N in the United States District Court for the Northern District of Texas Dallas Division	Deposition	Baker Botts	2012
<i>Securities and Exchange Commission v Jay T. Comeaux</i>	Administrative Proceeding File No. 3-15002 before the Securities and Exchange Commission of the United States of America	Testimony	Securities and Exchange Commission	2013
<i>Ralph S Janvey, In his capacity as court-appointed receiver for the Stanford International Bank, LTD. ET AL., and the official Stanford Investors Committee, Plaintiffs, VS. the University of Miami</i>	Cause No.3:11-cv-00041 in the United States District Court for the Northern District of Texas Dallas Division	Deposition	Baker Botts	2015
<i>Ralph S. Janvey, in his Capacity as Court-Appointed receiver for the Stanford International Bank LTD., ET AL. and the Official Stanford Investors Committee vs. Peter F Romero</i>	Civil Action No. 3:11-cv-00297-N-BG In the United States District Court for the Northern District of Texas Dallas Division	Testimony	Baker Botts	2015
<i>Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al v Dillon Gage Inc. of Dallas and Dillon Gage Inc.</i>	Case No. 03:10-cv-01973-N in the United States District Court for the Northern District of Texas Dallas Division	Deposition	Baker Botts	2015

Case	Case Number	Type of Testimony	Law Firm Client	Year
<i>Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al v Dillon Gage Inc. of Dallas and Dillon Gage Inc.</i>	Case No. 03:10-cv-01973-N in the United States District Court for the Northern District of Texas Dallas Division	Trial Testimony	Baker Botts	2015

Publications

- Coauthor of “Calculation of Economic Damages in Commercial Litigation,” Totaltape Publishing Company, Tampa, Florida, 1990.
- “Valuing Intellectual Property: The Science and the Art,” The Colorado Lawyer, August, 1997.

Speaking Engagements

Addressed various state and local bar associations as well as other continuing legal education providers on the following matters:

- Valuation Intricacies
- Financial Statement Analysis and Presenting Financial Data at Trial
- Use of Economic Experts in Commercial Litigation and Case Management
- Valuation Issues in Fraudulent Conveyance Matters
- Valuation in a Cram Down Bankruptcy Proceeding
- Valuation of Businesses in Mergers and Acquisitions
- Valuation of Intellectual Property
- Valuation Issues for Biotechnology
- FCPA/Anti-Corruption Basic Training
- FCPA/Anti-Corruption Due Diligence
- Current SEC/DOJ Recent Developments

EXHIBIT KVT-NWD-2

August 4, 2015 Declaration of Karyl Van Tassel

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL BANK, LTD., ET
AL.

Defendants.

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Case No.: 03-CV-0298-N

**DECLARATION OF
KARYL VAN TASSEL**

I, Karyl Van Tassel of 1001 Fannin, Suite 1400, Houston, TX 77002 state on oath as follows:

EXPERIENCE, EXPERTISE, WORK IN THIS CASE

1. A copy of my resume is attached as exhibit **KVT-1**. It summarizes my education and relevant work experience. As it states, I am a Certified Public Accountant in the State of Texas, USA, and a Senior Managing Director of FTI Consulting, Inc. I have 24 years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services. I have performed detailed financial analyses for a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. In the litigation context, I have acted as an expert on a variety of economic damage claims and forensic accounting issues. In several cases alleging fraud and other wrongdoing, I have traced funds for potential recovery. I have

also been retained by audit committees to assist in investigating allegations of accounting and financial improprieties.

2. The statements made in this declaration are true and correct based on the knowledge I have gained from the many documents I have reviewed and other work I and my team have performed in the course of FTI's investigation on behalf of the Receiver.

3. I use the following acronyms or short-hand terms to refer to certain entities in this declaration:

- Stanford Entities — all legal entities owned, directly or indirectly, by the named Defendants in the SEC action as of the date the U.S. Receivership was instituted.
- SIB — Stanford International Bank, Limited.
- STCL — Stanford Trust Company Limited, an Antigua trust company.
- SFG — Stanford Financial Group, the name given to Allen Stanford's "global network of financial companies."
- SGH — Stanford Group Holdings, Inc., a U.S. holding company incorporated in Delaware.
- SFGC — Stanford Financial Group Company, a U.S. entity incorporated in Florida.
- SFGGM — Stanford Financial Group Global Management, LLC, a U.S. entity incorporated in the U.S. Virgin Islands.
- SGC — Stanford Group Company, a U.S. broker-dealer entity incorporated in Texas.
- STC — Stanford Trust Company, a Louisiana trust company.
- SEI — SEI Private Trust Company.

SEC ACTION AND FTI'S INVESTIGATION

4. On February 16, 2009, the United States District Court for the Northern District of Texas appointed Ralph S. Janvey the Receiver for SIB and the rest of the Stanford

Entities. On the same day, the Receiver retained FTI to perform a variety of services, including assisting in the capture and safeguarding of electronic accounting and other records of the Stanford Entities and forensic accounting analyses of those records, including cash tracing. I oversee, and am personally involved in, FTI's forensic accounting and cash tracing activities. The purposes of FTI's work have been, in part, to (a) determine the roles that the various Stanford Entities played in the fraud alleged by the SEC and specifically in the sale and redemption of SIB certificates of deposit ("CDs"); (b) identify the source(s) of income of the various Stanford Entities; and (c) trace those funds to determine how they were allocated and disbursed throughout the Stanford Entities.

5. As part of our work, we have interviewed numerous present and former Stanford Entity employees. These include, but are not limited to, the persons whose names (as well as employer, title, and supervisor) are listed in **KVT-2**. In addition, we have examined the available accounting and other records relating to the Stanford Entities located in and/or gathered from Houston, Texas; Tupelo, Mississippi; Baldwin, Mississippi; Memphis, Tennessee; Miami, Florida; St. Croix, United States Virgin Islands; Antigua; Barbuda; and other Stanford locations within and outside the U.S. We have also reviewed extensive SIB customer records, including but not limited to paper and electronic records documenting SIB CD purchases, interest payments and redemptions.

6. FTI has also obtained and analyzed paper and electronic files from third-party financial institutions where bank accounts of various Stanford Entities are located. These financial institutions include Toronto Dominion Bank in Canada, Trustmark National Bank and the Bank of Houston. In addition, FTI has gathered and reviewed electronic and other

data from Pershing, LLC and JP Morgan Clearing Corp., both of which hold SGC customer accounts, and SEI, which holds STC accounts.

FACTUAL BACKGROUND

7. Allen Stanford was sole owner, directly or indirectly, of more than 130 separate entities, including SIB and STC. These entities comprised a single commonly-owned financial services network called the “Stanford Financial Group,” which was headquartered in Houston.

8. Stanford, along with a close band of confidantes, controlled SFG (of which SIB was a part). These confidants included Jim Davis, CFO of both SFG and SIB, and Laura Pendergest Holt, Chief Investment Officer for SFGC.

9. SIB was nothing like a typical commercial bank. It did not offer checking accounts and did not, in the normal course, make loans. It had one principal product line — certificates of deposit — and one principal source of funds — customer deposits from CD purchases. SIB offered three types of certificate of deposit accounts; Fixed CDs, Flex CDs, and Index-Linked CDs. The terms of some SIB CDs permitted partial redemptions before maturity upon customer demand.

10. Most, and perhaps all, of the Stanford Entities were part of the scheme alleged by the SEC or derived benefit from it. The Stanford Entities that were most closely involved with the sale and redemption of SIB CDs were (a) SIB, which issued the CDs and made purported interest and redemption payments to investors; (b) SGC, the broker-dealer whose financial advisors marketed and sold the CDs to investors; (c) STC, where customer accounts were established to hold the purchased SIB CDs as well as purported interest and redemption payments from SIB CDs; and (d) SFGC and SFGGM, companies that provided a broad range

of services, such as human resources, marketing, accounting and legal services, to SIB and SGC. Customer funds intended for the purchase of SIB CDs were deposited into SIB accounts and then disbursed among the many other Stanford Entities and related accounts.

11. Misinformation regarding SIB's financial strength, profitability, capitalization, investment strategy, investment allocation, the value of its investment portfolio, and other matters, was disseminated from Stanford, Davis, Holt and others working under them to Stanford financial advisors, intending for the brokers to use that misinformation to induce potential investors to purchase SIB CDs.

12. CD redemptions increased in late 2008 and early 2009 to the point that continuing CD sales could no longer cover purported redemptions, interest payments and normal operating expenses. This caused a rapid depletion of liquid assets. By the time the U.S. Receivership was instituted, SIB had already suspended redemptions for certain investors and many of the Stanford Entities had stopped paying many payables.

13. At the inception of the U.S. Receivership on February 16, 2009, the total principal amount of outstanding SIB CDs was approximately \$7.2 billion (U.S.), according to SIB records. This \$7.2 billion reflects a liability on the books of SIB, as it is owed to the investors. Although the SIB financial statements reflect investments valued at \$8.3 billion (classified as assets) as of December 31, 2008, based on my analysis to date, the combined assets of all Stanford Entities (SIB included) for which we have financial records have a total value of less than \$1 billion. SIB is insolvent and apparently has been for a considerable time.

14. Our analysis of cash flows for 2008 through February 17, 2009 indicates that funds from sales of SIB CDs were used to make purported interest and redemption payments on pre-existing CDs. Redemptions of principal and payments of interest on CDs should

generally be paid from earnings, liquid assets or reserves. In this case, CD sale proceeds were used because sufficient assets, reserves and investments were not available to cover the liabilities for redemptions and interest payments. Although SIB received some returns on investments, these amounts were miniscule in comparison to the obligations.

15. It appears that most CD sale proceeds not used to pay interest, redemptions and current CD operating expenses, including commissions, bonuses, Performance Appreciation Rights Plan (“PAR”) payments and up-front forgivable loans to financial advisors who sold the CDs, were either placed in speculative investments (many of them illiquid, such as private equity deals), diverted to other Stanford Entities “on behalf of shareholder” — *i.e.*, for the benefit of Allen Stanford, or used to finance Allen Stanford’s lavish lifestyle (*e.g.*, jet planes, a yacht, other pleasure craft, luxury cars, homes, travel, company credit card, *etc.*).

16. SIB investments (which are over 90% of all assets as of December 31, 2008) were divided into three tiers, each managed differently, although all ultimately controlled by Stanford, Davis and, at least to the extent of Tier 2 assets, Holt.

17. Tier 1, the smallest tier in dollar value, consisted of cash and cash equivalents. Stanford accounting records indicate that as of February 18, 2009, SIB Tier 1 totaled \$31.8 million.

18. Tier 2 principally consisted of investments placed with a variety of investment firms or funds located in the U.S. and Europe, together with a small amount of cash or cash equivalents. According to SIB’s weekly summary reports, Tier 2 had a total value of approximately \$345 million at February 9, 2009, down substantially from \$889 million at December 31, 2007. The documents indicate there were approximately \$29 million in further liquidations between February 10, 2009 and February 17, 2009. Tier 2’s precipitous decline in

reported value over the thirteen months leading up to the Receivership was due to a combination of declining market values and numerous liquidations ordered by Davis and Stanford and implemented by Holt and her staff.

19. Tier 3, by far the most significant financially (as valued by Stanford and Davis) and the most secret, was managed by Stanford and Davis, apparently with assistance and participation by Holt and others working under them. They kept its value and composition secret from regulators, investors, creditors, auditors and others. Stanford Tier 3 records do indicate, however, that \$1.8 billion in value consisted of notes receivable from Allen Stanford. It appears this amount corresponds to funds that Stanford, with the assistance of Davis and possibly others, diverted from SIB. These funds were used for various purposes, including transfers to 51 other Stanford Entities. (See **KVT-3**, an internal Stanford schedule listing past uses of SIB funds supporting Allen Stanford's note receivable liability to SIB in the amount of \$1.844 billion.). This receivable appears to be uncollectible, as Mr. Stanford's recent press statements indicate he does not have the \$1.8 billion to pay the loan made to him.

20. Approximately \$1.2 billion of Tier 3 value (as apparently valued by Stanford and/or Davis or others acting in concert with them) was in merchant banking assets. These consisted mostly of equity and debt investments in private and public companies (see **KVT-8**, a Stanford Financial Group schedule dated 30 June 2008 listing Tier 3 merchant banking assets), which was contrary to representations made to investors about SIB's investment portfolio. Early indications are that the fair value of these merchant banking assets was — and remains — only a small fraction of the \$1.2 billion value that Stanford and Davis assigned to them for financial reporting purposes.

21. In addition, Tier 3 records assigned \$3.174 billion of value to real estate. However, those same records list only two assets in this category: real estate holding companies that own properties in Antigua known as Pelican Island and Asian Village. The two properties were purchased (via the purchase of their holding companies) in 2008 for a combined \$63.5 million. I have seen no evidence — such as appraisals or other similar valuations — that would support this extraordinary and highly improbable increase in value, particularly in a period that generally is regarded as a global real estate downturn.

22. SIB investment earnings amounts were provided monthly by Jim Davis and persons working at his direction and under his supervision. I have reviewed internal Stanford documents from which I concluded that earnings were “pegged” at whatever amount was needed to give SIB the appearance of acceptable financial performance and capital ratios for regulatory purposes, as well as continuing to induce investors. In other words, earnings — at least for the last three years and probably longer — were fictitious “plugged” numbers.

23. Notwithstanding SIB’s insolvency and the rapid liquidation of its investments during 2008 and into 2009 to alleviate a severe cash flow crisis, CD sales continued until February 16, 2009, when the SEC and the U.S. Court intervened.

24. Based on FTI’s analysis to date, I have reached the following conclusions, which are all to a reasonable degree of certainty, and all of which were determined using reliable practices and methodologies, described herein, that are standard in the fields of finance and accounting:

- The substantial majority of funds received or utilized by the Stanford Entities, and in particular SIB, SGC, SFGC and SFGGM, was proceeds from the sale of SIB CDs;

- The substantial majority of funds used to pay purported CD interest and redemption payments to investors on pre-existing CDs was proceeds from sales of new SIB CDs;
- The schedules attached hereto as exhibits **KVT-4**, **KVT-5** and **KVT-6** reflect the identity of certain persons and entities holding SIB CD accounts with identified purported CD interest and/or redemption payments from SIB or who otherwise received purported CD interest and/or redemption payments from SIB, and the amounts of payments identified;
- Exhibit **KVT-4** further identifies the Pershing, SEI and JP Morgan accounts currently frozen under the Court's orders determined to be associated with the persons and entities listed on that schedule based on the customer records and other information available;
- Exhibit **KVT-5** further identifies the amounts, which total \$18.5 million in the aggregate, transferred by the persons and entities listed on that schedule to the Receiver's segregated escrow account pending final adjudication of rights to those funds;
- Exhibit **KVT-6** identifies persons and entities holding SIB CD accounts with identified purported CD interest and/or redemption payments from SIB or who otherwise received purported CD interest and/or redemption payments from SIB (and the amounts of payments identified) and who do not have any accounts currently frozen at Pershing, JP Morgan or SEI and have not transferred any funds to the Receiver's segregated escrow account; and
- The substantial majority of funds used to pay CD commissions, loans, PAR payments and bonuses to financial advisors who sold SIB CDs was proceeds from sales of new SIB CDs.

OVERVIEW OF SIB BANK ACCOUNTS

25. Based on our review of the activity in multiple SIB bank accounts, the primary operating accounts for CD activity utilized by SIB were Toronto Dominion account no. 0360-01-2161670 ("TD 1670"), Trustmark account no. 300-310-1707 ("Trustmark 1707"), Trustmark account no. 300-310-1558 ("Trustmark 1558") and Bank of Houston account no. 8706 ("BOH 8706"). SIB also transferred substantial amounts of money between its operating accounts and two money market accounts, Trustmark account no. 1097 ("Trustmark 1097") and BOH account no. 8284 ("BOH 8284"). These money market accounts were

essentially used as short-term holding locations for the funds from the SIB operating accounts, earning nominal amounts of interest, until those funds were needed by SIB. As explained further below, the overwhelming majority of the funds deposited into all of the aforementioned SIB operating and money market accounts was proceeds from the sale of SIB CDs.

26. The above accounts were used for a variety of purposes. For example, the TD 1670 and Trustmark 1558 accounts were used to make purported CD interest and redemption payments to investors. The TD 1670 account was also used, along with the Trustmark 1707 and BOH 8706 accounts, for the purchase or funding of Tier 2 and Tier 3 investments, payments for services rendered to other Stanford Entities and capital contributions or loans to other Stanford Entities. In 2008 alone, approximately \$474 million was transferred from the TD 1670 account to the BOH 8706 account, which in turn distributed roughly \$450 million among the various Stanford Entities.

**SUBSTANTIAL MAJORITY OF FUNDS FOR
STANFORD ENTITIES CAME FROM CD SALE PROCEEDS**

Deposits of CD Sale Proceeds

27. The SIB CDs were SIB's only product line. Although SIB provided a limited number of other financial products (*e.g.* credit card services and loans), these were offered only to CD holders and acted as incentives for the purchase of CDs.

28. Based on FTI's review of SIB CD sale records, the majority of CD purchasers paid for their CDs with U.S. dollars, and those funds were deposited into SIB's Trustmark 1707 and TD 1670 accounts. Customers who purchased SIB CDs by wire transfer were instructed to wire their funds directly to SIB's TD 1670 account. (*See KVT-7*, CD investor wiring instructions). Investors who paid by check sent their checks to SIB in Antigua, where

those denominated in U.S. Dollars were bundled and sent regularly to Trustmark in Houston for deposit into SIB's Trustmark 1707 account. If any SIB CD sales proceeds were actually paid by investors at SIB's offices in Antigua, it was likely a small amount relative to overall sales. Further, as stated above, SIB would promptly send investor checks denominated in U.S. Dollars to Houston for deposit into the Trustmark 1707 account.

29. Based on our review of 2008-2009 data for the Trustmark 1707 and TD 1670 accounts, and comparing that to SIB's CD sales records for the same time period, my team and I have been able to confirm that the funds from investors who purchased SIB CDs in U.S. dollars were in fact deposited into these accounts.

30. Because the wire transfer data from the TD 1670 account and the SIB customer account records are both in electronic form, we were able to electronically match the wire transfers into the TD 1670 account to records of specific CD purchases, CD nos., transaction dates or amounts or other criteria contained in the SIB CD customer account records. Based on this analysis, we have determined that, for the time period of January 1, 2008 through February 17, 2009, approximately \$1.7 billion in SIB CD sale proceeds were deposited into the TD 1670 account.

31. With regard to CD purchases in U.S. Dollars made by check, the data available from Trustmark does not allow for electronic matching with SIB's CD sale records. Instead, FTI has been able to review images of checks provided by Trustmark and then search the SIB CD sale records for transactions in those same amounts. By doing so for checks representing approximately 33% of the commercial deposits reflected on the Trustmark 1707 account statements provided by Trustmark for the time period of January 1, 2008 through February 17, 2009, we have been able to confirm, with only one exception, that each of these checks

corresponds to a specific purchase identified in the SIB CD sale records.¹ Based on this analysis, we have determined that between January 1, 2008 and February 17, 2009, approximately \$384 million in SIB CD sale proceeds were deposited into SIB's Trustmark 1707 account.

32. In addition to the SIB CD sale proceeds that were deposited directly into the TD 1670 and Trustmark 1707 accounts, there were some small additional amounts of CD sale proceeds that were deposited in other accounts initially and then transferred over to the TD 1670 and Trustmark 1707 accounts.

- (a) Investors who purchased CDs in Canadian dollars were instructed to wire those funds to SIB's Toronto Dominion account no. 0360-01-2161573 ("TD 1573"). (KVT-7). Performing an analysis similar to that performed on the wire transfers into SIB TD 1670, FTI has been able to electronically match the wire transfers into the TD 1573 account to records of specific CD purchases, CD nos., transaction dates or amounts or other criteria contained in the SIB CD sale records. Based on this analysis, we have determined that, for the time period of January 1, 2008 through February 17, 2009, over \$5 million in SIB CD sale proceeds were deposited into the TD 1573 account. Correspondingly, Toronto Dominion's records reflect that approximately \$10 million was transferred into the TD 1670 account and another approximately \$10 million into the Trustmark 1707 account from the TD 1573 account. These transfers included not only the \$6 million in deposits referenced above but likely deposits of CD sale proceeds into the TD 1573 account that occurred prior to January 1, 2008.
- (b) Investors who purchased CDs in British pounds or Euros were instructed to wire those funds to SIB accounts at HSBC Bank PLC in London. (KVT-7). Although HSBC has not provided any account data to the Receiver, we have been able to determine that over \$36 million was transferred from HSBC accounts to the TD 1670 account between January 1, 2008 and February 17, 2009.

¹ Though we have been unable to confirm that the one check identified as an "exception" was used to purchase a CD, circumstantial evidence indicates that it was. The data required to reach a definitive conclusion, however, was not available for this transaction.

*SIB's CD Operating Accounts Were Funded Almost Exclusively from CD Sale
Proceeds*

33. Based on the analysis described above, and additional analysis of data relating to SIB's primary operating accounts — TD 1670, Trustmark 1707, BOH 8706 and Trustmark 1558 — I have determined that the overwhelming majority of funds received by SIB came directly or indirectly from CD sale proceeds.

34. The deposits into the SIB Trustmark 1707 account between January 1, 2008 and February 17, 2009 totaled approximately \$497 million.² The approximately \$384 million in checks for CD purchases that were deposited into the account comprised 77% of the deposits into that account between January 1, 2008 and February 17, 2009. Based on the following, I have concluded that up to an additional \$94 million or 19%, for a total of 96%, of the deposits into the Trustmark 1707 account during that time period also consisted primarily of SIB CD sale proceeds.

- (a) Approximately \$55 million, or 11% of the deposits into the Trustmark 1707 account were funds from the liquidation of Tier 2 investments. Based on my review of the data relating to the Tier 2 investments, it appears that the vast majority of those investments were funded by monies from the TD 1670 account. Further, the vast majority of the liquidations occurred when the investments were in loss positions. Accordingly, any deposits from the Tier 2 investments would have consisted primarily of the CD sale proceeds that were originally invested rather than investment returns.
- (b) Approximately \$29 million, or 6%, of the deposits into the account were from SIB's BOH 8706 and TD 1670 accounts,

² This amount does not include approximately \$337 million in deposits from the Trustmark 1097 account. The Trustmark 1097 account was a short term money market investment account that was funded almost exclusively from the Trustmark 1707 account and used to hold those funds until they were needed by SIB. At that time, the funds were transferred back into the Trustmark 1707 account. Based on my review of the Trustmark 1097 account records, these funds earned only nominal amounts of interest.

which as discussed below, were funded primarily from CD sale proceeds.

- (c) Approximately \$10 million, or 2%, of the deposits into the account were transfers from SIB account TD 1573, which was the account into which CD purchase money in Canadian Dollars was deposited, as described above.
- (d) The other deposits into this account — approximately \$19 million or just 4% of the total — were from other Stanford Entities (funded primarily by CD sale proceeds), unidentified sources or sources on which FTI's analysis is ongoing.

35. The deposits into the SIB TD 1670 account between January 1, 2008 and February 17, 2009 totaled approximately \$2.4 billion. The approximately \$1.7 billion in wire transfers for CD purchases that were deposited into the account comprised 71% of the deposits into that account between January 1, 2008 and February 17, 2009. Based on the following, I have concluded that up to an additional 26% or \$619 million, for a total of 97%, of the deposits into the TD 1670 account during that time period also consisted primarily of SIB CD sale proceeds.

- (a) Approximately \$318 million, or 13%, of the deposits into the account were from SIB's Trustmark 1707 account, which as described above, is funded almost exclusively by proceeds from the sale of SIB CDs.
- (b) Approximately \$154 million, or 6% of the deposits into the account were funds from the liquidation of Tier 2 investments. As described above (*See* ¶34(a) above), such funds primarily consisted of proceeds from the sale of SIB CDs.
- (c) Approximately \$127 million, or 5%, of the deposits into the account were from SIB's BOH 8706 operating account, which as discussed below, was funded primarily from SIB CD sale proceeds.
- (d) Approximately \$20 million, or 1%, of the deposits into the account were transfers from HSBC Bank accounts and the TD 1573 account, which were the accounts into which CD purchase

money in non-U.S. currency, were deposited, as described above.³

- (e) the other deposits into this account — approximately \$82 million or 3% of the total — are from other Stanford Entities (funded primarily by CD sale proceeds), unidentified sources or sources on which FTI's analysis is ongoing.

36. The total deposits into the SIB BOH 8706 account between January 1, 2008 and February 17, 2009 were approximately \$801 million.⁴ Based on the following, I have concluded that up to \$710 million or 89%, of the deposits into the BOH 8706 account during that time period consisted primarily of SIB CD sale proceeds.

- (a) Approximately \$505 million, or 63%, of the deposits into the account were from SIB's TD 1670 account or Trustmark 1707 account, which as described above, are funded almost exclusively by proceeds from the sale of SIB CDs.
- (b) Approximately \$205 million, or 26%, of the deposits into the account were funds from the liquidation of Tier 2 investments. As described above (*See* ¶34(a) above), such funds primarily consisted of proceeds from the sale of SIB CDs.
- (c) The other deposits into this account — approximately \$91 million or 11% of the total — were from other Stanford Entities (funded primarily by CD sale proceeds), unidentified sources or sources on which FTI's analysis is ongoing.

37. The total deposits into the SIB Trustmark 1558 account between January 1, 2008 and February 17, 2009 were approximately \$127 million.⁵ Based on FTI's review of

³ Another \$26.5 million, or 1%, of the deposits into the TD 1670 account was from HSBC accounts. These funds also likely originated from CD purchase money originally denominated in non-U.S. currencies, as described in the wiring instructions attached hereto as exhibit **KVT-7**. Because HSBC has not provided the necessary records, we are unable to confirm that this is the case.

⁴ This amount does not include approximately \$457 million in deposits from the BOH 8284 account. The BOH 8284 account was a short term money market investment account that was funded exclusively from the BOH 8706 account and used to hold those funds until they were needed by SIB. At that time, the funds were transferred back into the BOH 8706 account. Based on my review of the BOH 8284 account records, these funds earned only nominal amounts of interest.

⁵ This amount does not include additional deposits consisting of funds originally paid out of the Trustmark 1558 account that were returned for various reasons (*i.e.*, rejected by recipients, *etc.*).

records from Trustmark relating to this account, 99% of the deposits during this time period were transfers from SIB's Trustmark 1707 account. As discussed in paragraph 34 above, the Trustmark 1707 account was funded almost exclusively from the CD sale proceeds. Accordingly, the overwhelming majority of funds in the Trustmark 1558 account consisted of SIB CD sale proceeds.

**PROCEEDS FROM SALES OF NEW CDS WERE USED TO MAKE
PURPORTED CD INTEREST AND REDEMPTION PAYMENTS ON PRE-EXISTING CDS**

38. Based on FTI's analysis to date, I have concluded that the overwhelming majority of the funds used to make purported SIB CD interest and redemption payments was proceeds from the sale of new SIB CDs to investors. Although SIB received some returns on investments, these amounts were miniscule. Moreover, there were not sufficient assets to cover these payments, illustrated by the fact that liquidating Tier 2 allowed SIB to maintain payments for only a short period of time.

39. Based on SIB CD transaction records reviewed by FTI, SIB made purported principal and interest redemption payments in U.S. Dollars to investors totaling approximately \$2 billion from January 1, 2008 through February 17, 2009.

40. For interest and redemption payments made by wire transfer in U.S. Dollars, SIB used its TD 1670 account. FTI has reviewed the outgoing wire transfer records from the TD 1670 account and electronically matched those records to the CD related payment records from SIB. Based on this analysis, we have been able to confirm that approximately \$1.87 billion, or 92%, of all redemption payments made by SIB in U.S. Dollars were made by wire transfer to investors from the SIB's TD 1670 account. Because the funds deposited into SIB's TD 1670 account were almost exclusively proceeds from the sale of new CDs to investors, the

payments made from the TD 1670 account to investors were likewise almost exclusively CD sale proceeds.

41. SIB also made some purported interest and redemption payments to investors in U.S. Dollars by checks written from its Trustmark 1558 account. FTI has reviewed approximately 300 checks written to investors from the Trustmark 1558 account. By comparing those checks to records of specific payments in SIB's records, we have determined that between January 1, 2008 and February 17, 2009, checks totaling \$92 million, or 94% of the sample set of purported CD interest and redemption payments selected,⁶ were written from SIB's Trustmark 1558 account. Because the overwhelming majority of the funds deposited into SIB's Trustmark 1558 account was proceeds from the sale of new CDs to investors, the overwhelming majority of payments made from the Trustmark 1558 account to investors was primarily proceeds from the sale of new SIB CDs to investors.

**IDENTIFICATION OF INVESTORS WHO
RECEIVED PURPORTED CD INTEREST AND REDEMPTION PAYMENTS**

42. Attached as exhibits **KVT-4**, **KVT-5** and **KVT-6** to this declaration are schedules identifying certain investors holding SIB accounts with identified purported CD interest or redemption payments from SIB or who otherwise received purported CD interest or redemption payments from SIB, along with the amounts of payments identified. The investors listed in **KVT-4** also have Pershing, JP Morgan or SEI accounts that are currently frozen by the Court's orders. The investors listed in **KVT-5** do not have any accounts that are currently frozen under the Court's orders. Instead, their accounts were released and they agreed, by stipulations filed with the Court, to transfer funds equal to the amount of purported

⁶ The sample selected totaled 78% of the population of purported CD interest and redemption payments made by SIB denominated in U.S. Dollars for the period January 1, 2008 through February 17, 2009.

SIB CD redemptions or interest payments they received to the Receiver's segregated escrow account until the rights to those funds are fully adjudicated. The investors listed in **KVT-6** do not have any accounts that are currently frozen under the Court's orders and have not transferred any funds to the Receiver's segregated escrow account.

43. The schedules contained in exhibits **KVT-4**, **KVT-5** and **KVT-6** were developed by the FTI team through a detailed review and analysis of the SIB records of CD interest and redemption payments from SIB customer accounts. If a payment was made from an SIB customer account, the customer(s) who held that account were identified as recipient(s) of the purported CD interest or redemptions. Once the customer(s) were identified, the SIB customer records were searched electronically for certain common identifiers, such as name, address, *etc.*, to identify all other SIB accounts associated with the customer(s). If the names on each of the customer accounts appeared to be the same, the purported interest and redemption payments were added together into one line item entry on the schedule. If the names on the accounts did not appear to be the same, they are listed as separate entries on the schedules. If we determined through review of available records that someone other than the SIB account holder received purported CD interest or redemption payments, they are included on the appropriate schedule.

44. Once the customers who received purported CD interest or redemption payments from SIB were identified, the FTI team also reviewed Pershing, JP Morgan and SEI customer account records to determine whether those previously identified SIB customers also had Pershing, JP Morgan or SEI accounts that are subject to the Court's freeze orders. Similar to how related SIB accounts were identified, the Pershing, JP Morgan and SEI account records were searched electronically for common identifiers — again name, social

security number, tax identification number, address, *etc.* — to identify any Pershing, JP Morgan or SEI accounts associated with those customers. Those identified accounts, to the extent they are still frozen by the Court's orders, are listed on exhibit **KVT-4**.

45. Many of the customers listed on exhibits **KVT-4** and **KVT-5**, and perhaps some of those listed on exhibit **KVT-6**, had other Pershing, JP Morgan or SEI accounts that were previously subject to the Court's freeze orders but have since been released. Some of those accounts were released pursuant to the Court's orders dated March 5, March 12, or April 23. Other Pershing, JP Morgan and SEI accounts associated with the customers listed on exhibits **KVT-4** and **KVT-5** have been released through the account application review process approved by the Court in its March 27 and May 27 orders and subsequent modifications thereto. As of the date of this declaration, all Pershing, JP Morgan and SEI accounts associated with the customers listed on exhibit **KVT-4** have been released, except those accounts necessary to satisfy an order of disgorgement from this Court being requested by the Receiver. All Pershing, JP Morgan or SEI accounts associated with customers listed on exhibit **KVT-5** have been released, but funds equal to the amount of proceeds received by the customers identified in **KVT-5** have been transferred to the Receiver's segregated escrow account pending adjudication of rights to those funds.

46. The investors listed on exhibit **KVT-4** received approximately \$373 million in purported CD interest and redemption payments in the aggregate. Comparing these amounts and the amounts contained in the Pershing, JP Morgan and SEI accounts associated with those customers, there is approximately \$295 in the Pershing, JP Morgan and SEI accounts that are available to satisfy any claims by the Receiver for the recovery of CD proceeds. The investors listed on exhibit **KVT-5** received approximately \$18.5 million in purported CD

interest and redemption payments in the aggregate. Such amount has been transferred by the investors to the Receiver's segregated escrow account pending final adjudication of rights to those funds. The investors listed on exhibit **KVT-6** received approximately \$494 million in purported CD interest and redemption payments in the aggregate. There are no frozen Pershing, JP Morgan or SEI accounts that have been identified as associated with these customers, and they have not transferred any funds to the Receiver's segregated escrow account.

**PROCEEDS FROM SALES OF NEW CDs WERE
USED TO PAY COMMISSIONS, PAR PAYMENTS AND BONUSES
AND MAKE LOANS TO FINANCIAL ADVISORS**

47. Based on a review of accounting and payroll records of SGC, the FTI team and I have determined that many of the financial advisors who marketed and sold SIB CDs to customers received up-front forgivable loans as part of their compensation package when they began work. For the years 2007, 2008 and 2009 (prior to February 17), loans were made to financial advisors in the approximate aggregate amounts of \$12.9 million, \$35.8 million and \$2.76 million respectively.

48. Many of the financial advisors further received commission, PAR payments and bonus payments associated with SIB CD sales, typically in the range of 1% to 3% percent of the cumulative value of the CDs they sold. For the years 2007 and 2008, SGC made commission, PAR payments and bonus payments to financial advisors in the approximate aggregate amounts of \$31 million and \$38 million respectively.

49. Based on our analysis and review of the records and information referenced herein, I have concluded that the substantial majority of funds used to pay the loans, bonuses,

PAR payments and commissions to financial advisors was proceeds from the sale of the SIB CDs.

50. The loans, bonuses, PAR payments and commissions to financial advisors were funded primarily from two Trustmark bank accounts held in the name of SGC, specifically Trustmark account no. 300-310-7357 (“Trustmark 7357”) and Trustmark account no. 300-008-7916 (“Trustmark 7916”)(collectively, the “Trustmark 7357/7916 accounts”). These were the primary operating accounts used by SGC. Loans were paid directly to the financial advisors from the Trustmark 7357/7916 accounts. Commissions, PAR payments and bonuses first passed through SGC’s payroll account, which was funded exclusively by the Trustmark 7357/7916 accounts, and were then paid to the financial advisors by SGC’s third party payroll services provider, ADP.

51. The SGC Trustmark 7357/7916 accounts, in turn, were funded directly or indirectly from SIB’s operating accounts — TD 1670, Trustmark 1707 and BOH 8706 — which, as detailed above, were funded almost exclusively from SIB CD sale proceeds.

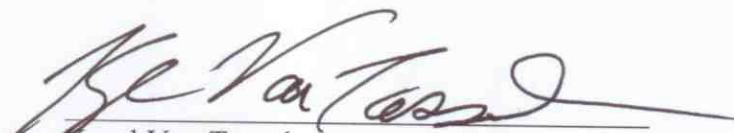
52. One of the primary funding sources for the SGC Trustmark 7357/7916 accounts from which loans, bonuses, PAR payments and commissions were paid was referral fees paid by SIB as compensation for the sale of CDs. Over the course of 2007 through February 17, 2009, an aggregate total of \$172.3 million in referral fees was transferred directly from SIB’s TD 1670, Trustmark 1707 and BOH 8706 operating accounts to the SGC Trustmark 7357/7916 accounts. Based on our interviews with personnel from the various Stanford Entities, FTI learned that these referral fees were, in part, intended to fund commission and bonus payments and loans to financial advisors who sold SIB CDs. The

amount of referral fees paid by SIB to SGC between 2007 and 2009 far exceed the amounts of commissions, PAR payments, bonuses and loans paid to financial advisors during that time.

53. The conclusion that proceeds from the sale of SIB CDs were used to fund commission and loan payments is further confirmed by the fact that another significant source of funding into the Trustmark 7357/7916 accounts was capital contributions that originated from SIB's TD 1670, Trustmark 1707 and BOH 8706 operating accounts. Although many of these capital contributions passed through other Stanford Entities and their accounts before landing in the Trustmark 7357/7916 accounts, they are traceable back to the SIB accounts and therefore to proceeds from the sales of SIB CDs.

54. For example, in 2008 alone, funds in the amounts of \$396 million and \$77 million respectively were transferred from the SIB BOH 8706 account and the TD 1670 account into the operating account of SFGGM, BOH 8870. During the same time period, a capital contribution in the amount of \$47.5 million was made from SFGGM's BOH 8870 account to SGH's operating account, Trustmark account no. 300-310-2150 ("Trustmark 2150"). Finally, a capital contribution went from the Trustmark 2150 account to the SGC Trustmark 7357/7916 accounts in the amount of \$46.5 million. There are many other examples of smaller capital contributions making their way into SGC's Trustmark 7357/7916 accounts that are traceable back to SIB's accounts. In addition, based on FTI's analysis of records available for the accounts that funded the Trustmark 7357/7916 accounts, I have concluded to a reasonable degree of certainty that a majority of the funds deposited into these accounts came from sources traceable to the SIB accounts that were funded almost exclusively by proceeds from the sale of SIB CDs.

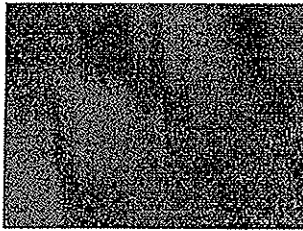
Executed this 27 day of July, 2009.



Karyl Van Tassel

DECLARATION OF KARYL VAN TASSEL

KVT-1



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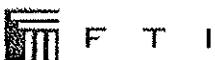
Karyl Van Tassel is a senior managing director in the FTI Forensic and Litigation Consulting practice and is based in Houston. Ms. Van Tassel has twenty-three years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services. Ms. Van Tassel has been designated as an expert on valuations of closely held businesses, other economic damage claims and forensic accounting issues and has performed detailed financial analyses in a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. She has also been retained by audit committees to assist in investigating allegations of accounting and financial improprieties.

Prior to joining FTI, Ms. Van Tassel was a partner in KPMG's Forensic Dispute Advisory Services practice. Prior to that she was a member of the litigation and bankruptcy consulting divisions of two national accounting firms as well as a regionally based firm, where she provided financial advisory services to the legal and insurance professions and private industry. She has also provided audit and tax services to auto dealerships, construction clients and governmental agencies. In addition, she has provided accounting services and investment analysis to a financial institution.

Professional Experience

Forensic Accounting

- Retained by court appointed receiver to investigate and track \$85 million of funds embezzled by the CFO of a Texas energy company. Searched the company records to determine the amount of the embezzled funds, and determine the various schemes used to remove the funds from the company. After tracing the amount removed from the company, then traced assets through multiple shell companies and personal bank accounts, utilizing accounting information and electronic data obtained through email, hard drive and server sources. Worked with receiver on monetizing assets recovered.
- Involved in various investigatory matters related to compliance with Foreign Corrupt Practices Act (FCPA), including assisting a monitor appointed under a deferred prosecution agreement of a company to analyze accounting and internal control procedures. Prepared work plan for compliance testing and directed site visits, conducted interviews and assisted in preparing report of findings. As a result of our work, have reported to head of enforcement at the Department of Justice. With the three year term of the monitorship, have ongoing responsibilities for follow up with the company and oversight of responses to monitor's requests and reported findings, as well as follow up site visits for each year.
- Retained by the audit committee on matters related to allegations of round trip trading in the energy industry. Assisted in providing multidisciplinary teams to extract data, analyze trades, document risk management practices and analyze appropriate accounting treatment, including potential restatement. Reports provided to audit committees to assist them in responding to SEC inquiries and investigations.



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- Retained by company to perform analysis of costs incurred for provider of energy in submitting a claim in the refund of overpayments related to the California power settlements. Reviewed regulatory filings to determine if costs and methodologies complied with FERC guidelines and state mandates. Analyzed source documents as well as documenting the methodology utilized for compiling the information.
- Retained by counsel for a special committee of a publicly traded software company to investigate allegations of potential backdating of stock options. Led a team of accounting and electronic evidence personnel to assist in acquiring and analyzing written and electronic information related to the stock option process and individuals involved. Worked extensively with counsel analyzing accounting issues related to measurement dates and the appropriate accounting of stock grants for new hires, new account acquisition, employee ranking, compensation in lieu of cash, and sales incentive plans. Analyzed appropriate accounting treatment and estimate of annual financial impact based upon alternative measurement dates. Reported results to Board of Directors and auditors of the company.
- Retained by the audit committee of an electronics company to investigate allegations by the SEC related to revenue recognition issues, overstatement of inventory and property, plant and equipment and self-dealing by top level executives. Company eventually settled with the SEC and announced restated financial statements
- Retained by the audit committee of Fortune 500 company to analyze historical accounting issues related to accounting for long-term construction contracts. Issued report and had meetings with the SEC to discuss findings and accounting issues.
- Analyzed historical rates of return for a variety of mutual funds and equity investments to determine the impact of various investing options related to the assets of a trust. Compared actual returns to several indices to determine the difference and the potential damages allegedly incurred by the trust.
- In a securities matter related to the mining industry, analyzed the impact of the accounting and financial disclosures on the stock of a company. Analyzed various returns on equity investments for guideline companies in the industry as well as equity indices to measure impact of announcements and disclosures on the company stock.
- Retained by a hospital chain to analyze billings to Medicaid and insurance providers to determine if billings were appropriate based upon contractual provisions and consistent with the patients file and diagnosis. Worked with multidisciplinary team to consisting of computer specialists to retrieve data, database specialists to analyze information and medical personnel to review medical files.
- Retained to analyze various factors and transactions in matters asserting alter ego claims. Involved in a variety of matters where we provided detailed analyses of corporate governance, financial operational and control factors to determine the extent to which the information would indicate the existence of separate entities.
- Involved in analyzing various complex financial and accounting transactions regarding alleged improprieties in a variety of industries, either for internal investigations or litigation.
- Analyzed accounting treatment of revenues and related party disclosures for a defendant in a securities matter. Software company allegedly had overstated revenues by inappropriate application of accounting principles and improperly disclosed various related party



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transactions.

- Analyzed and traced assets between various related and affiliated companies, which involved complex accounting treatments. Traced cash and other assets to offshore companies. Testified in hearing for contempt of court regarding the disposition of certain cash receipts subsequent to the issuance of a temporary restraining order that limited the transfer of assets.
- Analyzed the alleged fraudulent activities of two major auto body repair shops for an insurance company. Determined the overall profitability of the auto body repair shops compared to the industry as a whole. From a large production of documents, also determined the availability of financial documents from the body shops, and their relationship to and substantiation of the results of inspections performed on vehicles after the repairs were completed. Assisted the economist in regards to the total business conducted over a 15-year period and extrapolated sample results to the entire population.
- Reconstructed the trust accounts of a real estate company after a fire suspected to be caused by arson. Determined amounts had been misappropriated for the personal use of various brokers. Analysis used in criminal investigation.
- Analyzed the accounts of a real estate developer accused by a family trust of misappropriation of funds. Analysis included complex transactions between 22 related partnerships. Included database extractions of various computers and synthesizing thousands of records to determine ultimate disposition of proceeds from investments.
- Retained by a lender to the defendant in a case involving an alleged ponzi scheme in the computer hardware industry. Analysis included determining the flow of transactions in the company between actual business operations and alleged fraudulent activities. Utilized large-scale database application to track transactions within the company, to the bank and to the potential investors. Analyzed the companies banking transactions to determine if the bank had allowed a "float" on the account, which the trustee alleged to be an additional loan to the company from the bank. Engagement resulted in settlement with company trustee.
- Analyzed the billings of a construction company related to the renovation and partial construction of a residence. Analyzed application of percentage of completion in monthly billings to determine overcharges throughout a three-year construction period.
- Analyzed the costs of producing a compact product for shipping hazardous materials. Determined if improper allocations were made based upon cost accounting theories, resulting in overcharging to clients.

Contract Disputes

- Analyzed the payments made under a treaty whereby client ceded obligations under a reinsurance agreement in the variable annuity business. The allegations involved whether the contract was wrongfully terminated if underpayment of premium had not been made by insurance company to reinsurer. The issues involved included obtaining an understanding of the payment terms for the reinsurance coverage over an extended period on reinsurance of the guaranteed minimum death benefit of variable annuity life insurance policies. Led a multidisciplinary team working with large volumes of transactions data. Team included data analysis and electronic discovery specialists for the extraction of data over an extended

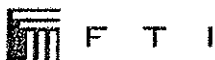


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time period with millions of transactions. Also, worked with actuaries to understand variables assumed in their analysis of the book of business and with underwriters to understand policies and procedures. Testified in arbitration that client had not underpaid over the period of time at issue in the matter.

- Analyzed the economic damages in a breach of contract and tort matter between client insurance company and a third party administrator. Analyzed the damages alleged by plaintiff's damage expert and provided rebuttal analysis of damages. Issues in the damage calculation related to valuation of a book of business for dread disease policies and calculation of amounts owed under a contract.
- Analyzed the economic damages sustained by an investor in a failed joint venture in a urea plant in Columbia. Opinion included a valuation of the business enterprise as of the date of the alleged breach, involving various analyses of the urea market, the prospective operation results and ability to attract lenders.
- Analyzed the lost profits sustained by a petrochemical company related to an alleged breach of a joint venture/operations agreement. Issues related to imbalance in the manufacturing facility due to inappropriate levels of various feedstock to the plant. Inability to maintain contracted levels of product forced inefficient plant operations, decreasing profitability.
- Analyzed the lost profits to a large engineering firm related to the inability to complete the construction of a polystyrene plant in the Middle East due to the Gulf War. Analysis involved analyzing the percentage of completion methods and determining profit at time of invasion, compared to projected profit had the event not occurred. Claim was submitted to the neutral arbitrators in Switzerland.
- In a breach of contract dispute, analyzed the economic losses sustained by the creator and distributor of personal care products. Analysis included working with a marketing expert to determine effects of demographic differences of consumers on buying habits and its impact on the subject company's profits and long-term viability.
- Analyzed the economic damage claim of a producer of accounting software. Provided testimony with regard to the out-of-pocket costs incurred for an internally developed product, which was used to replace the component, which the defendant did not deliver. Also analyzed the lost profit damages under a first to market theory.
- Analyzed the lost profits of a used car dealership related to a breach of contract. Analyzed industry margins compared with subject and other market conditions.
- Analyzed the economic damages of an exclusive distributor of sporting good products due to product defects. Calculated the economic impact to the distributor over an eight-year period, including lost profits, carrying costs of inventory and other incremental costs. Project necessitated analyzing the performance of over forty products and determining the cause factors impacting the diminution of profits.
- Provided rebuttal analysis of a \$20 million claim for lost profits in a construction claim for an Arkansas highway project. Addressed the issues of causation as well as analyzing the underlying assumptions of the lost profit claim. The indirect claim for lost profits was dismissed on summary judgment, in part based upon our financial analysis of the causation issue.



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- Determined the lost profits allegedly sustained by a provider of programming to the hotel industry, related to a breach of the right of first refusal for a satellite transponder. Coordinated industry experts in various areas including hotel/motel management, advertising, consumer demands, economic trends, cable programming and venture capital availability to analyze the feasibility of the programmer's claim.
- Calculated the economic damages, including lost profits and incremental expenses, in the largest asbestos case in Colorado for a major suburban shopping mall.
- In a contract dispute, determined the value of the restaurant operations included as part of a major Colorado ski resort. Analyzed market trends and restaurant industry comparables for use in the valuation. Also used industry information to benchmark against actual results, to determine management effectiveness.
- Analyzed the value of a franchise fast food establishment related to a breach of contract. Engagement included analyzing various offering circulars for franchises to determine relevant value drivers for similar franchises. Analyzed demographic data related to California communities included in franchise agreement.
- Analyzed a lost profit claim related to a chain of fast food restaurants in a breach of contract matter. Analyzed store-by-store financial metrics to determine average store results compared to subject stores. Analyzed economic and demographic trends in areas adjacent to subject stores.

Insurance Claims

- Analyzed the claim by a hospital related to the flooding of the facility. Engagement involved detailed analysis of the impacted departments and the financial impact of substituting less profitable services for higher margin services due to inability to provide full service medical operations. Also analyzed specific incremental staff costs incurred during the flood and cleanup period.
- Analyzed and assisted in preparing the claim of a large food manufacturer related to an explosion and fire in its primary manufacturing facility. Claim exceeded \$100 million, which was settled expeditiously.
- Assisted risk management officer in analyzing a claim related to a fire at a resort community. Claim involved business interruption for a variety of resort functions as well as property losses.
- Assisted in preparing the claim for a large training facility related to computer outages from lightening strikes. Analyzed business interruption claim and collateral losses. Claim eventually was settled in litigation.
- Assisted in claim related to a power outage for several business related to extended power outages related to a major train derailment.

Intellectual Property

- Analyzed the economic damages sustained by a construction product manufacturer due to an alleged patent infringement. Also analyzed the lost profits of the defendant company in a counterclaim for breach of contract. Analyzed market potential for the product, impact of



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noninfringing substitutes, marketing and distribution channels and other factors impacting sales volume and expenses.

- Analyzed the economic damages sustained in a patent infringement matter by an inventor in the sporting goods industry. Detailed analysis including addressing Georgia Pacific factors related to determining a reasonable royalty. Opinion included market royalty rates, royalty rates on other company products, incremental gross profit on patented property, and profit split method.
- On a consulting basis, analyzed the damages of a producer and global marketer of rubber-based products. Allegations included patent infringement trademark infringement, copyright violations, theft of trade secrets and fraud. Claim for damages exceeded \$1 billion. Working for the defendant, analysis included impact of market and distribution channels on lost profits as well as reasonable royalty calculation.
- Analyzed the economic damages of one of the largest software companies in the world related to a patent infringement case. Analysis included determining product gross profitability for those alleged to have infringed the property. Also assisted in analyzing the appropriate royalty rate and allocating the revenue to the patented and nonpatented features of the product. Case settled for \$100,000,000 less than claim.
- Analyzed the damages in a patent infringement matter related to modular cells for prison units. Engagement included a detailed analysis of a reasonable royalty, based in part upon the Georgia Pacific factors. Reasonable royalty was based upon market derived data, established rates by licensor and licensee, prior licensing history between the parties and analytical analysis of various profit measures.
- Analyzed value of patented technology for various biomedical devices held by a company for a potential acquisition. Analyzed the patented and nonpatented products to determine synergies and purchase drivers between the products since only a portion of the portfolio of products was to be purchased. Also considered impact of governmental approval process on value of patented properties that were still in clinical trials. Determined range of values based upon reasonable royalties obtained in the market place and from other analytical measures.
- Analyzed the value of patented technology in a laser devise used for noninvasive surgeries and dental work for a transfer to an off-shore entity for tax purposes. Engagement included analyzing the profit stream from the laser device as well as market derived rates.
- Analyzed the range of reasonable royalty for physicians developing a drug for cancer treatment. Patented property was related to improving efficacy of radiation treatments. Using analytical data and market derived rates, assisted in negotiating license with a biotechnology company.
- Analyzed the economic losses in a matter involving the alleged infringement of trademarks for a line of personal beauty products. Testified for the defendant in deposition regarding the economic damages sustained as well as presented counter claim testimony. Issues included analyzing relevant markets for personal care products, product survey information regarding product characteristics influencing buyers decisions, internet advertising, and product distribution channels for impact on damage analysis. Case resolved in settlement.
- Analyzed the lost profits sustained by the developer of a sporting good product resulting



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from an alleged trademark infringement. The economic damages were calculated both as the lost profits of the developer of the product based upon its own historical results as well as analyzing the profits of the alleged infringing entity. Also analyzed damages related to the cost of corrective advertising in conjunction with an advertising expert.

- Testified for the defendant in an injunction hearing regarding the nature of the advertising revenue as the primary source of income, the overlap in advertising between the "webzine" and magazine and the potential impact on economic damages. Case related to an alleged trademark infringement by a "webzine" of a magazine title.
- Analyzed damages of plaintiff related to disparagement of Ameritech Corporation's management of the alarm company post-acquisition. The case related to the alleged infringement of a trademark for a burglar alarm company purchased by the plaintiffs. Analyzed detail records of clients for overlap caused by clients subscribing to the defendant company due to disparaging information supplied to Ameritech clients in violation of a noncompete agreement as well as infringing use of trademarks.
- Performed royalty examinations for a multinational software company. Supervised multilingual and disciplinary teams to perform royal "audits" in several countries and domestically. Developed regular maintenance program for ongoing audits of contracts on a scheduled basis. Resulted in recovery in excess of \$10,000,000, and assisted in favorable renegotiations with joint venture partners.
- Performed a royalty examination in a dispute between a software producer and distributor. Calculated the economic damages allegedly sustained by the software producer due to the alleged under reporting of software sales. Testified in arbitration regarding the results of our findings.
- Performed royalty examinations of five different licensees under contract "audit" rights for a developer of software. Worked with clients and licensees to resolve disputes, recovery of more than \$1,500,000, and renegotiation of contracts.

Post Acquisition Disputes

- In a post-acquisition dispute, analyzed the results of certain long-term contracts obtained as part of a purchase of an international engineering firm. Analyzed the accounting treatment and financial results of the contracts, both pre- and post-acquisition, and the impact on the valuation of the business.
- Analyzed the lost profits due to alleged fraudulent misrepresentations in a purchase of a restaurant chain. Analysis included store-by-store data of prospective revenue and profitability, compared to those actually achieved. Analyzed market and economic trends in regions in which the restaurants operated to determine impact on profitability and sales from issues unrelated to the alleged misrepresentations.
- Served as an arbitrator in a dispute involving the closing balance sheet working capital provisions of a purchase agreement. In the medical insurance industry, analyzed the proposed adjustments to working capital including accounts receivable, reserves for losses and contingent liabilities.
- Prepared a claim of working capital adjustment related to the closing-balance sheet provisions of a purchase agreement in the computer storage industry. Analysis included

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inventory accounting, accounts receivable and deferred revenue.

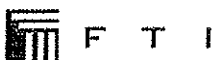
- Analyzed the propriety of accounts receivables included in the representations and warranties in the purchase of an environmental services company. Allegations involved intentional overstatement of accounts receivable later determined to be uncollectible by the purchaser.

Telecommunications

- Analyzed the economic damages of a company that terminates traffic for other telecommunications companies who provide a variety of services to end-users. In a contract dispute with one of its clients, analyzed the lost profits as well as the diminution in the value of the business. Analysis included determining network capabilities in regions covered by the agreement during peak and off-peak time periods to determine availability of volume due to switching constraints.
- Analyzed the economic damages asserted in a class action matter against a RBOC. Analysis included detailed records for thousands of customers asserting held order claims over a six-year time period. Downloaded data records related to customer orders, service delivery, billing and customer data. Analyzed relevant tranches of class participants and related damages.
- Analyzed payments made by a major telecommunications company to a switching vendor over a five-year period of time. Based upon contract terms, worked with the company's engineers to determine how the provisioned switching products impacted the billing requirements under the contract. Analysis related to whether charges made by switching vendors were in excess of contract terms. Analysis resulted in multi-million dollar settlement with vendor.
- Analyzed payments made by a major telecommunications company to a single source construction vendor. Issues related to the propriety of charges incurred compared to services delivered over a period of several years. Analysis was used for negotiating a new contract with the contractor.
- In a contract dispute assisted in analyzing the viability of a "C-Block" license holders' business plan and the reasonableness of the company valuation. Researched "C-Block" license auction values and results of operation of "C-Block" auction recipients.
- Oversaw an engagement in which 200 competitive local exchange carrier (CLEC) contracts were analyzed to extract compliance issues for billing and provisioning by a major telecommunications company. Results provided service representatives with information for communication with CLEC's.

Miscellaneous

- Prepared analyses of lost wage claims, lost profit claims and incremental costs incurred in various personal injury matters. Based upon the opinions of rehabilitation specialists and career counselors, prepared damage analysis based upon the estimated reduction in worklife expectancy, decreased earnings potential or incremental costs incurred related to the alleged injuries.



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- Analyzed value of businesses conveyed in pre-bankruptcy transactions related to claims of fraudulent conveyance.
- Assisted in economic analyses related to wrongful termination matters, including lost wage and benefit claims.
- Valued the stock of closely held businesses in a dissenting shareholder action, lender liability matter, condemnation proceeding and various marital dissolutions.
- Valued the stock of a closely held chain of restaurants for the purpose of spinning off certain restaurants to form a new company.
- Valued the stock of the largest oyster processing company in the world for a Northwest financial institution. The bank had acquired the company through foreclosure and required the valuation as part of its internal procedures required to sell the entity to an outside party.
- Valued a 50 percent ownership interest in an alarm monitoring company for a buyout of the partial owner's interest.

Speaking Engagements

Addressed various state and local bar associations as well as other continuing legal education providers on the following matters:

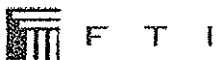
- Valuation Intricacies
- Financial Statement Analysis and Presenting Financial Data at Trial
- Use of Economic Experts in Commercial Litigation and Case Management
- Valuation Issues in Fraudulent Conveyance Matters
- Valuation in a Cram Down Bankruptcy Proceeding
- Valuation of Businesses in Mergers and Acquisitions
- Valuation of Intellectual Property
- Valuation Issues for Biotechnology

Publications

- Coauthor of "Calculation of Economic Damages in Commercial Litigation," Totalltape Publishing Company, Tampa, Florida, 1990.
- "Valuing Intellectual Property: The Science and the Art," The Colorado Lawyer, August, 1997.

Education

University of Northern Colorado—B.S. in Business Administration, emphasis in Accounting



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Summary of Testimony

Case	Case Number	Type of Testimony	Law Firm Client	Year
<i>Edward Malo vs. Breckenridge Spa and William Benkelman</i>	U.S. District Court of Colorado 92-M-2537	Deposition	Bradley Campbell Carney & Madsen	1994
<i>Asolo SpA, et al. vs. Giancarlo Tanzi</i>	U.S. District Court of Colorado 93-Z-1778	Deposition, Trial	Hale & Dorr	1995
<i>LittleWing Co., Ltd. vs. Mesch & Associates d/b/a StarPlay Productions</i>	AAA Arbitration	Arbitration	Holme Roberts & Owen LLC	1995
<i>TLB, INC., an Ohio corporation, vs. Platinum Software, a California company</i>	U.S. District Court of Colorado 95-WY-621	Deposition, Trial	Coghill & Goodspeed, P.C.	1996
<i>Primedia Intertec Corporation vs. Technology Marketing Corporation</i>	U.S. District Court of Kansas 98-2384-KHV	Trial	Locke Reynolds Boyd & Weisell Sonnenschein Nath & Rosenthal	1998
<i>Mountain Ocean, Ltd. d/b/a Everybody Ltd. vs. For Every Body, Inc.</i>	U.S. District Court Of Colorado	Deposition	Jones, Waldo, Holbrook & McDonough, P.C.	1999
<i>Prism Management Enterprises, Inc. vs. Crane Leake Casey Ehlers & Eggleston, P.C.</i>	District Court, La Plata County 97-CV-412	Deposition, Arbitration	Jacobs Chase Frick Kleinkopf & Kelley, LLC	1999



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<i>Ameritech Corporation v. Jackson Burglar Alarm</i>	U.S. District Court of Colorado 98-N-2432	Deposition	Holme Roberts & Owen	1999
<i>The Quizno's Corporation v. Robert W. Mitelhaus</i>	AAA Arbitration	Arbitration	Preeo, Silverman & Green	1999
<i>Gulf Communications, LLC v. Business Telecom, Inc., d/b/a BTI Telecommunications Services</i>	398CV2444-6 U.S. District Court for Northern District of Texas, Dallas Division	Deposition	Kyle & Mathis	1999
<i>Southwest Recreation Industries, Inc. v. Fieldturf, Inc. and Fieldturf International, Inc.</i>	A-00CA063-SS U.S. District Court for the Western District of Texas, Austin Division	Deposition	Brown, Todd & Heyburn PLLC	2000
<i>Anthony G. Petrello and Cynthia Petrello v. Renaissance Builders, Inc. and Chandler Robinson</i>	199-51358 The District Court of Harris County, Texas 270th Judicial District	Deposition	Fulbright & Jaworski LLP	2001
<i>Omagro De Columbia, L.D.C. vs. MCN Energy Enterprises, Inc., formerly named MCN Investment Corporation</i>	67-180286-99 The District Court of Tarrant County, Texas 67th Judicial District	Deposition and Trial	Shannon, Gracey, Ratliff & Miller	2001
<i>Blitz Holdings Corp. v. Interamericas Financial Holdings Corp.</i>	Civil Action No. H-00-2247 United States District Court for the Southern District of Texas Houston Division	Contempt Hearing	Wilshire Scott & Dyer	2001
<i>Hartford Life Insurance Company And Hartford Life & Annuity Insurance Company v. Connecticut General Life Insurance Company</i>	Arbitration	Deposition, Trial	Akin, Gump, Strauss, Hauer & Feld L.L.P.	2002
<i>National Health Insurance Company vs. National Plan Administrators, Inc. Hartford Life Insurance</i>	GN – 101679, In the District Court, Travis County, Texas 53rd Judicial District	Deposition, Trial	Akin, Gump, Strauss, Hauer & Feld L.L.P.	2003

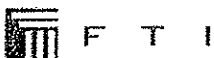


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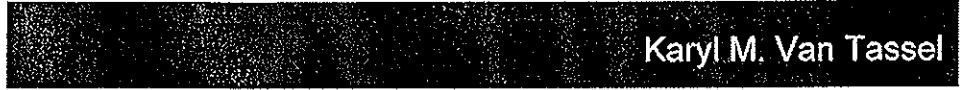
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Company, and CRS
Marketing Agency, Inc.

<i>SOURCECORP, Incorporated, SOURCECORP DMS, Inc. and Information Management Services, Inc. v. Steve Shill, Rita Shill, Robin Meyer, and Mark Meyer</i>	No. 76Y1160016303ARN, American Arbitration Association	Testimony, Arbitration	Steptoe & Johnson, LLP	2004
<i>David Graben and Frank Strickler v. Western Reserve Life Assurance Company of Ohio; Intersecurities, Inc., and Timothy Hutton</i>	03-08-648 The District Court of Wise County, Texas 271 st Judicial District	Trial	Akin, Gump, Strauss, Hauer & Feld L.L.P.	2005
<i>Rodney Montello, et al v. Alcoa Inc., Reynolds Metals Company, Bon L. Campo and Tredegar Corporation</i>	The U.S. District Court of Southern District of Texas Victoria Division Civil Action No: V-02-84	Deposition	Baker Botts LLP	2006
<i>Bencor, Inc. v. The Variable Annuity Life Insurance Company</i>	AAA Arbitration	Arbitration	Akin, Gump, Strauss, Hauer & Feld LLP	2006
<i>Highland Crusader Offshore Partners, L.P. et al v. Motient Corporation</i>	Cause No. 05-07996 In the District Court, Dallas County, Texas E-101 st Judicial District	Deposition	Fulbright & Jaworski LLP Lackey Hershman L.L.P.	2007
<i>Gascoigne Melotte Holdings LLC (U.S.A.), Boumatic LLC (U.S.A.), Boumatic-Melotte SPRL (Belgium) v. Punch</i>	In the International Chamber of Commerce Court of Arbitration	Arbitration	Baker Botts LLP	2008

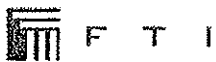


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*Technix N.V. (The
Netherlands), et al*



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KVT-2

Stanford Financial Group Receivership

Employee Name	Department	Location	Job Title	Business Card Title	Supervisor Name
Maldonado, Patricia C.	SFGC Treasury	US TX Houston	Manager	Manager	Davis, James M
Holt, Laura L.	SFGC Research and Trading	US TN Memphis	Chief Investment Officer	Chief Investment Officer	Davis, James M
Lopez, Gilbert	SFGC Accounting	US TX Houston	Chief Accounting Officer	Chief Accounting Officer	Davis, James M
Amadio, Henry	SFGC Accounting	US TX Houston	Accounting Mgr	Accounting Manager	Lopez, Gilbert
Jackson, Kerry	SGC Corporate Finance	US TX Houston	Sr VP	Senior Vice President / Controller	Weiser, Charles M.
Groves, Denise	SFGC Treasury	US TX Houston	Treasury Analyst	Treasury Analyst	Maldonado, Patricia C.
Patlan, Tarrie J.	SFGC Treasury	US TX Houston	Sr Treasury Analyst	Senior Treasury Analyst	Maldonado, Patricia C.
Weiser, Charles M.	SGC Corporate Finance	US TX Houston	Executive VP	Chief Financial Officer	Bogar, Daniel T.
Pl, Osvaldo	SGC Merchant BK	US FL Miami	Managing Director	Managing Director	Bogar, Daniel T.
Varkey, Johnson (John)	SFGC IT	US TX Houston	Chief Information Officer	Chief Information Officer	Bogar, Daniel T.
Collinsworth, Mark P.	SFGC Research and Trading	US TN Memphis	Managing Director	Managing Director-Global Asset Allocation	Holt, Laura L.
Palmilden, Frederic A.	SFGC Research and Trading	US TN Memphis	Research Analyst	Senior Investment Officer - Western Europe	Weeden, Kenneth
Leal, Oscar	SFGC Accounting	US TX Houston	Supervisor Corporate Accounting	Supervisor Corporate Accounting	Amadio, Henry
Ward, Pamela J.	SFGC Human Resources - North America	US TX Houston	Director	Director of Human Resources - North American Region	Bogar, Daniel T.
Severtson, Anne M.	SFGC Accounting	US TX Houston	Business Systems Mgr	Business Systems Manager	Lopez, Gilbert
Davis, Rhonda L.	SGC Compliance	US TX Houston	Chief Compliance Officer	Chief Compliance Officer, SCM	Young, Bernard E.
Weeden, Kenneth	SFGC Research and Trading	US MS Tupelo	Managing Director/Research and Inv	Managing Director- Global Regional Research and Investments	Holt, Laura L.

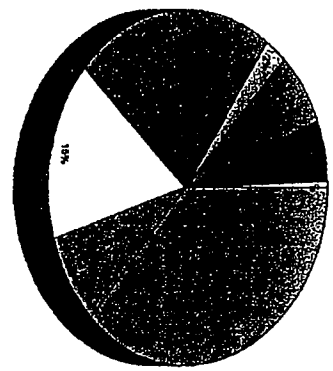
KVT-3

Shareholder Funding, Assumption of debt and Notes Payable Acct.
As of 12/31/08 (Preliminary)
In US dollars

Company	Assumption of debt to PIC / Reserve for Future Cap.		NIP Balance Q1-Q3 2008	Total Netting + Funding Adjut.	Total Balance
	Total 2004-2007	Total 2008			
Other Affiliated Companies					
Standard Financial Group Co.	\$238,028,812	\$9,319,408	\$247,348,220	\$14,168,488	\$261,516,708
Standard Financial Group, Ltd.	74,409,443	0	74,409,443	7,176,700	81,586,143
Standard Development Corporation	12,819,311	871,000	13,690,311	746,300	15,023,259
Standard Venture Capital Holding, Inc.	299,370,503	8,244,036	307,614,539	22,884,200	340,498,739
Standard American Samoa Holding, Ltd	110,900	0	110,900	0	110,900
Idea Advertising	6,133,766	0	6,133,766	0	6,133,766
Standard International Management Ltd	391,000	0	391,000	0	391,000
North America					
Standard Group Holdings, Inc.	112,150,237	\$7,309,000	119,459,237	0	\$126,768,237
Airlines					
Caribbean Sun Airlines Inc.	123,442,519	0	123,442,519	0	123,442,519
Caribbean Star Airlines, Ltd.	143,911,481	562,300	144,473,781	0	144,473,781
Caribbean Atlantic Lending (BVI), Ltd.	41,218,750	0	41,218,750	0	41,218,750
Caribbean Airlines Services, Inc.	1,185,066	0	1,185,066	0	1,185,066
Caribbean Airlines Services, Ltd	1,290,492	0	1,290,492	0	1,290,492
CSA Holdings	17,545,417	1,747,126	19,292,543	161,000	19,453,543
Caribbean					
Standard Development Company Ltd.	346,472,649	26,675,162	373,147,811	30,408,500	\$403,556,311
Sun Printing & Publishing, Ltd.	11,345,742	0	11,345,742	0	11,345,742
Standard Eagle	18,971,188	1,247,900	20,219,088	0	20,219,088
Standard 20/20 Ltd	21,443,135	2,528,632	23,971,767	0	23,971,767
The Island Club, Ltd	4,393,513	0	4,393,513	0	4,393,513
Standard Aerospace	4,741	0	4,741	0	4,741
Standard Group Antigua, Ltd	4,806,376	0	4,806,376	0	4,806,376
Standard Aviation, Ltd	1,779,089	399,810	2,178,899	207,500	2,486,399
SA Airline	1,160,929	0	1,160,929	0	1,160,929
Standard Caribbean Ltd	634,906	0	634,906	0	634,906
Europe					
Standard Group Sales	31,656,906	\$4,312,997	35,969,903	2,656,878	\$38,626,781
Latin America					
Standard Group Mexico	13,408,479	0	13,408,479	0	13,408,479
Standard Group Peru	4,172,396	0	4,172,396	0	4,172,396
Standard Int'l Holdings Panama	12,424,229	18,600,000	31,024,229	0	31,024,229
Daypart Holdings Ltd	0	2,370,000	2,370,000	1,400,000	3,770,000
Standard Trust Chile	854,845	0	854,845	0	854,845
Standard Casa de Valeros	554,735	1,000,000	1,554,735	0	1,554,735
S. Sora Ecuador	450,923	4,000,000	4,450,923	0	4,450,923
SE Venezuela A.I.	4,383,594	0	4,383,594	0	4,383,594
Standard Holdings Venezuela	23,642,905	0	23,642,905	0	23,642,905
Torre Santa Home	21,602,136	0	21,602,136	0	21,602,136
Standard Corporate Services Vz	14,923,923	2,000,000	16,923,923	0	16,923,923
Global					
SFG Global Management, LLC	4,535,411	23,133,514	27,670,925	30,021,700	\$57,692,625
Standard Global Advisory, LLC	4,069,493	13,194,708	17,264,199	4,538,600	21,802,800
Standard Real Estate Acquisition, LLC	0	11,196,180	11,196,180	469,700	11,665,880
Standard Downtown Holdings, LLC	688,854	\$9,400	758,254	653,300	1,411,554
The Island Club, LLC	7,702,701	5,084,400	12,787,101	164,900	12,952,001
Standard 20/20, LLC	818,333	1,229,641	1,947,974	1,427,700	3,375,674
Standard Caribbean Investment, LLC	0	1,274,337	1,274,337	0	1,274,337
Standard Pre	0	0	0	0	0
BVI & Other Holding Co.					
Standard Corporate Ventures, Ltd (BVI)	16,417	3,700,000	3,716,417	0	3,716,417
Standard Corporate Services, Ltd (BVI)	11,399	0	11,399	0	11,399
Standard Corporate Services, Ltd (BVI)	3,063,163	130,460	3,193,623	0	3,193,623
Standard Group Ltd	2,063,163	130,460	2,193,623	0	2,193,623
Standard Group Ventures Ltd	0	0	0	0	0

Note 1: Column includes adjustments to PIC/NIP due to investments transferred to SBL to reduce RAS N/A and other A/R RAS netting against PIC/NIP.
Note 2: Re-capitalization was completed 11/08.
Note 3: Amount includes the 2004 transfer of assets to SBL for \$310.2 million and 2008 transfer of investments to SBL for \$17.4 reducing the NR RAS

Shareholder Funding by Regions (incl. Airlines)

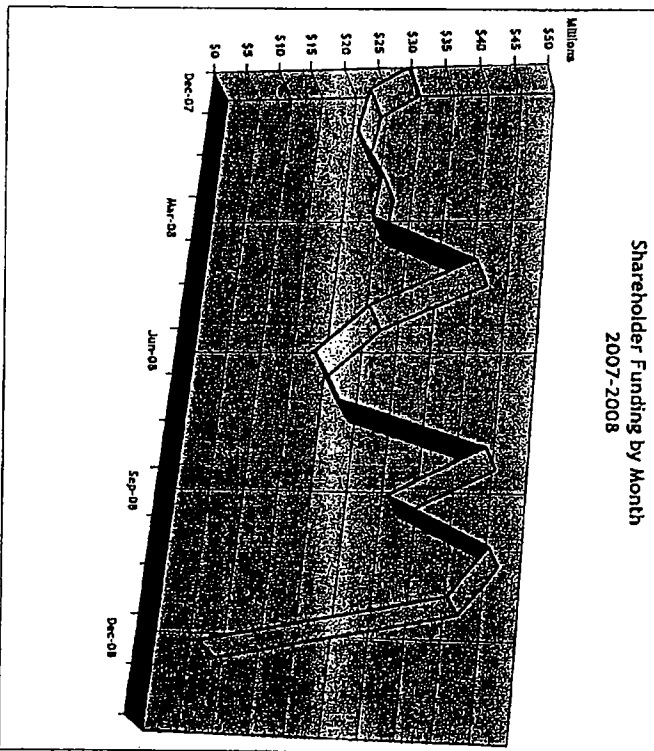


- Other Affiliated Companies
- North America
- Airlines
- Caribbean
- Europe
- Latin America
- Global
- BVI & Other Holding Co.

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Shareholder Funding by Month
2007-2008



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ID	Name	Accounts¹	SIB CD Proceeds²
1	RODRIGO RIVERA ALCAYAGA	NJL022799, NJL009309	\$ 721,004
2	TOCHAS TRUST	NJL022799, NJL009309	100,152
3	TOCHAS TRUST AND RODRIGO ALCAYAGA	NJL022799, NJL009309	515,629
4	JONATHAN LARKIN STOCK TRUST AND JONATHAN LARKIN	5LW401871	262,926
5	ATP TOUR, INC.	NMY118075	3,438,706
6	JOSEPH R. BECKER AND LOLINE BECKER	NJG005253, NJG003340, NMW013542	372,225
7	JOEL HENRY ORY	NMW025280	104,549
8	PATRICIA A. THOMAS	NJL028432, NJL028374	3,761,189
9	STEVEN RIGER AND LINDA RIGER	NMZ001312	317,729
10	RAY A. BALLANTYNE	NMY120550	183,435
11	RAY A. BALLANTYNE AND KAREN BALLANTYNE	NMY120550	915,748
12	GERARD A. DOWD	NJB010175	134,800
13	HANNAH K. PECK	0C9605175	122,395
14	PECK FAMILY TRUST	0C9605175	8,941
15	STEPHEN M. BINGHAM	NJL003195	107,271
16	DAVID A. RUBIN	NMY116863	8,455
17	DAVID A. RUBIN AND DAWN L. RUBIN	NMY116863	370,333
18	DEBRA S. GIBBS	NMY136036	234,000
19	CAMILLE C. WOOD	NMW004764	181,305
20	ARTHUR J. ORDOYNE	NJG005865	301,706
21	AARON FOLSE	NJG002342, STSGC40612	603,925
22	TERRY FOLSE	NJG002342, STSGC40612	53,992
23	CHRIS SWINDELL	NJG006343, NMW014755	192,352
24	JEFFREY J. CAMPBELL	NM4011943	189,828
25	MICHAEL E. STAUD	STSGC40951, NMW012767	561,656
26	WILLIAM C. DAWSON	NMW012080, NMW002800	421,497
27	LUISA DE LICI AND JAIME LICI COHEN AND REBECA LICI COHEN AND JACOBO LICI COHEN AND SARA LICI COHEN	NMY008714	10,537
28	MATEO LICI S. AND LUISA DE LICI AND JAIME LICI COHEN AND REBECA LICI COHEN AND JACOBO LICI COHEN AND SARA LICI COHEN	NMY008714	143,003
29	MATEO LICI S. AND LUISA DE LICI AND JAIME LICI COHEN AND REBECA LICI COHEN AND JACOBO LICI COHEN AND SARA LICI COHEN AND EDITH BOGUSKY BEAUJON	NMY008714	92,826
30	MARTHA J. WITMER	NJG007259	284,149
31	MYRNA PLATKIN	NJJ002042	132,541
32	JOHN S. WATTS JR	NJB014201	1,054,866
33	ALISON LEFFLER	NNC010084	106,734
34	FRED R. DEMAREST	NJG006277	115,625
35	JUDITH H. MCCUTCHEON TRUST AND JUDITH H. MCCUTCHEON	NJH310421	104,184
36	CARROLL D. LEU	NJE260504	117,351
37	ROBERT J. BRUNO	NMW015158	582,264
38	ROBERT J. WINTERS AND DARLENE P. WINTERS	NJM027888	257,680
39	TIMOTHY A. JOHNSON	NMY018887, NMY018861	852,446
40	PAULA MARLIN	NNC011041	663,504
41	PHILIP M. ZIMMERMAN AND JENNIFER B. ZIMMERMAN	NMW018517	260,031

Notes:

1. Accounts with a prefix of "S" are Stanford Trust Company Accounts.

2. The entries on this schedule correspond to the names on the SIBL accounts that received CD proceeds. A given name may appear more than once on this schedule because that name is on more than one SIBL account.

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ID	Name	Accounts¹	SIB CD Proceeds²
42	KATHLEEN C. DUGGAN AND GEORGE T. DUGGAN	NM4013899	293,905
43	ROGER LEE HECKMAN	NJL029042	14,394
44	ROGER LEE HECKMAN AND BRENDA G. HECKMAN	NJL029042	222,127
45	WYLLY M. GUTERMAN	NJK511669	249,873
46	JAMES R. CALVIN	NJG008307	180,000
47	GAINES D. ADAMS	NJJ060586, NJJ002331	455,273
48	DONNA W. ALLBRITTON	NJJ060404	184,221
49	JOHN F. THOMPSON	NMY125369	969,955
50	PETER A. THEVENOT	NJG001203	179,338
51	DON PARKINSON AND MARILYN PARKINSON	NJD001065, NJB063273, NJA012347, NJA001365	19,045
52	MARILYN PARKINSON	NJD001065, NJB063273, NJA012347, NJA001365	121,254
53	INVHERNAR, INC. AND RODRIGO HERNANDEZ	NWR005112	420,684
54	DORRIS AND LULA BURCHETT TRUST AND DORRIS BURCHETT AND LULA BURCHETT	NJM010991	314,618
55	BARBARA MILLER OSTROW	NJM028126, NJJ005748	102,439
56	HENRY A. MENTZ III	NMY100297	706,709
57	JAMES H. STEGALL	NJG006574	163,374
58	JAMES H. STEGALL AND CAROL H. STEGALL	NJG006574	41,862
59	EUGENE D. GAUTHREAUX	NJJ010854	104,314
60	SUE CHRIS GAUTHREAUX	NJJ010854	174,200
61	PHYLLIS ETCHIESON TRUST AND PHYLLIS ETCHIESON	NJV002790	110,000
62	KAVBEL CORP LIMITED	NMY106229	124,990
63	RA AND FARALL D. CANNING TRUST A AND RA CANNING AND FARALL D. CANNING	NMX011776, NMX011750	813,206
64	RA AND FARALL D. CANNING TRUST C AND RA CANNING AND FARALL D. CANNING	NMX011776, NMX011750	548,942
65	MICHAEL A TEAGUE	NMW013716	116,732
66	JONATHAN IVESTER	NJH001053	174,308
67	BONNIE CAPUTO AND ALLEN CAPUTO	NJB013856	1,276,115
68	AYG INVESTMENT, LTD.	NMY100313	224,328
69	CARL M. WEBB III	NMY102947	125,392
70	DICK COPELAND REV TRUST AND DICK COPELAND	5LW400121	65,048
71	DICK COPELAND TRUST AND DICK COPELAND	5LW400121	70,082
72	EFRAIN DOS SANTOS MARQUEZ	NWR004347	320,937
73	PHILIP M. PELTZ	NMW008740, NMW001703	123,085
74	YOLANDA A. VALDES	NMY011692	7,637
75	YOLANDA A. VALDES REVOCABLE TRUST AND YOLANDA A. VALDES	NMY011692	318,127
76	DAVID TOPP AND DORA TOPP	NMY013722, NMY011676	598,648
77	SHANNON S. BUNDICK	STSGC41087, NMW030181	405,289
78	BENNIE M. O'REAR	NMW003626	132,148
79	BENNIE M. O'REAR AND CLAUDIA P. O'REAR	NMW003626	54,794
80	CHARLES B. THOMSEN AND LOIS ANN THOMSEN	NJL010638	646,590
81	D. LEE SEAGER	NJL007592	105,803
82	LINDA R. SEAGER	NJL007592	34,608
83	JESUS GALARZA MARTIN AND MARIA ESPERANZA MARTELO DE GALARZA	NMY002311	252,375
84	RENEE LEVINE	NJG002193	104,083
85	DAVID M. BLAKE AND DIANE M. BLAKE	NMZ015718	123,233
86	THOMAS W. SCHERER AND VIRGINIA A. SCHERER CRUT, THOMAS W. SCHERER AND VIRGINIA A. SCHERER	NJJ010847, NJJ010821	58,968
87	VIRGINIA A. SCHERER	NJJ010847, NJJ010821	72,910
88	DENNIS L. KIRBY	STSGC40214, NMW022782	580,959
89	HOWARD BISSELL III	NJK510299	287,463

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ID	Name	Accounts¹	SIB CD Proceeds²
90	EARL L. CROSBY	NMW003592	175,276
91	CATHERINE M. BRENNAN	NNC060394	282,381
92	WILLIAM RONALD VAN DELL AND LORI G. VAN DELL	NMX010992	241,477
93	MARK D. BUCKMAN	NJM022053	566,514
94	EUGENE L. CROXTON JR.	NMW003550	161,805
95	LEJEUNE T. MILLS AND GILBERT C. MILLS	NMW012304	381,354 ³
96	KENNETH R. BIRD AND TERESA MICHELLE LAMKE	NMW003618	213,748
97	DR. RICHARD RATHBONE PR	NMW002537	300,000
98	GRACE CHEN LEBLANC	NMY135897	144,542
99	GORDON C. GILL	NMY126359	278,986
100	VAHLE, INC.	NMY116723	124,016
101	BRIAN U. LONCAR AND SUE A. LONCAR	88761041	222,518 ⁴
102	MABEL PINO	NJG002375	495,386
103	SUNNER TRADING LIMITED	NJL027210	550,847
104	ALBERTO LOPEZ ESPINOSA AND ANA LUISA DE LA ROSA DE LOPEZ	NMY107227	231,831
105	SHARON J. WITMER AND WALTER BRUCE STONE	NJG005196	383,875
106	WALTER BRUCE STONE	NJG005196	3,500
107	RISIA TOPP WINE	NMY013839	223,911
108	BURNELL WILLIAMS	NJG006210, STSGC40224	200,739
109	ERIKA TERESA HERRO	NJL028549	339,364
110	TIMOTHY R. AND SANDRA E. MOORE FAMILY L. P AND TIMOTHY R. MOORE AND SANDRA E. MOORE	NMY019984	131,097
111	MELVIN WIDES REVOCABLE TRUST AND MELVIN WIDES	0C9403746	261,290
112	EISEMANN DEFINED BENEFIT PLAN	NJL026501	35,764
113	EISEMANN LIMITED	NJL026501	107,717
114	MICHAEL L. EISEMANN AND LINDA G. EISEMANN	NJL026501	136,680
115	BETTE JO HEASLIP	NMW015091	703,433
116	TERRY N. TULLIS	STSGC40336, NMW023418	449,245
117	HUTCH INVESTMENTS LLC	5LW001481	308,452
118	CINDY DOLESHEK	NM4013717	161,759
119	GARY W. MCKILLIPS AND ANNE H. MCKILLIPS	NJB011249	537,739
120	FRANK MASSAD AND JO ANN MASSAD	NMY021691	107,793
121	LYDA D. TYMIAK	NMZ019033, NJV003731	394,124
122	LYDA D. TYMIAK FAMILY TRUST AND LYDA D. TYMIAK	NMZ019033, NJV003731	176,422
123	SAMUEL R. MOORE AND MARTHA W. MOORE	NNC010092	218,045
124	RONALD R. MARSTON	NJG001484	474,012
125	RONALD R. MARSTON AND SUSAN D. MARSTON	NJG001484	257,907
126	JOHN BUSCEME AND VIRGINIA B. BUSCEME	NJG001179	5
127	JOHN C. BUSCEME	NJG001179	448,235
128	MARK STEPHENS AND JO LYNN STEPHENS	NMW008021	198,743
129	DIVO MILAN HADDAD	NWR002184	560,133
130	INFINITUM TRUST AND DIVO MILAN HADDAD	NWR002184	1,961,857
131	MARIA DE LOURDES MARTINEZ DE SIDNEY AND MARIE ROCHELLE SIDNEY MARTINEZ	NWR002184	19,161
132	MARIE ROCHELLE SIDNEY MARTINEZ	NWR002184	9,372
133	MARIE ROCHELLE SIDNEY MARTINEZ AND DIVO MILAN HADDAD	NWR002184	8,984

Notes:

3. Lejeune T. Mills and Gilbert C. Mills have executed a stipulation. They have transferred to the Receiver's escrow account only \$101,353.96 of the SIBL proceeds amount; their Pershing account also remains held.

4. Figures based on SGC accounts residing at JPMorgan.

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ID	Name	Accounts¹	SIB CD Proceeds²
134	ALFREDO PARRA DAVILA	NMY006759	515,000
135	STEVEN SILVERMAN TRUST AND STEVEN SILVERMAN	5LW003446	209,033
136	BARRY L. RUPERT AND CAROL S. RUPERT	NJH001244	186,410
137	LOUISE A. HARDIN LIVING TRUST AND LOUISE A HARDIN	NJJ110498	115,667
138	ANGELO A. PATERNOSTRO AND MARY ANN PATERNOSTRO	NJG004355	607,835
139	THERESA M. JAMAIL	NMY021659	376,554
140	SCOTT L. CLARK REV TRUST AND SCOTT L. CLARK	NJK510802	1,155,041
141	ROBERT APPELMAN	NM2003470, NM2002712	442,908
142	ABM REVOCABLE TRUST AND ALVARO BUENDIA	NM2011846	321,845
143	ALVARO BUENDIA	NM2011846	22,313
144	CLAUDIA GALLAGHER AND CLAUDE MAYALL AND ANNE MAYALL	NMY103515	121,837
145	RAMON MALCA	NMY060913	153,659
146	BRUCE E. MCLEOD	NJG004009, NMW001398	773,174
147	AMARA TRUST	NMZ023324	399,949
148	DOCTORS DIAGNOSTICS IMAGING	NJV003129	177,421
149	ERIC A. ORZECK	NMY011999, NJL009465, NJL005695	465,412
150	DEWAYNE WASHINGTON REV TRUST AND DEWAYNE WASHINGTON	5LW401798	260,868
151	NANCIANN EAMES	NMY136721, NMY136317, NMY136283, NMY136002, NMY120881	145,080
152	RICHARD D. EAMES	NMY136721, NMY136317, NMY136283, NMY136002, NMY120881	193,230
153	RICHARD DENNIS EAMES AND NACIANN EAMES	NMY136721, NMY136317, NMY136283, NMY136002, NMY120881	198,935
154	JANE M. PRIDGEN AND ROBERT GRAY MATLOCK	NJM029942	185,772
155	JASON SCOTT GRAHAM	NJG003886	921,005
156	ROBERT E. GRAHAM	NJG003936	1,005,511
157	GROVEMILL HOLDINGS LIMITED	NJL027491	384,954
158	EDWARD F. BLIZZARD AND CYNTHIA H. BLIZZARD	NMY010272	516,631
159	FRANCIS NEZIANYA	NMW015497	301,636
160	WILLIAM S. FLORES JR. AND MARY G. FLORES	NJE260256	100,000
161	ELECTRI INTERNATIONAL	NJV002881	100,329
162	RICHARD AND DARLENE MCBRIDE	NJV002881	4,604
163	HMS AND B, LTD	NJL021551	175,000
164	DARIO FALLAS AND PAOLA FALLAS	NMZ006394	107,546
165	HECTOR JOSE PEREZ MORA AND RAFAEL JESUS PEREZ PERDOMO	NMZ006394	78,000
166	HECTOR PEREZ MORA	NMZ006394	298,772
167	RONALD B. YOKUBAITIS AND CAROLYN M. YOKUBAITIS	NJH310512	100,000
168	EMMA LEE LEFEBVRE	NMW019440	205,982
169	LARRY N. SMITH	STSGC40765	485,679
170	MURPHY BUELL	STSGC41108	417,216
171	ROSA MARIBEL OYERVIDES	NWR002663	5,036,240
172	CHARLES L. WHITE	STSGC40438, NMW024820	558,814
173	MELVIN MICHEL MARGULES BENHAMOU	NWR005906	792,024
174	MELVIN MICHEL MARGULES BENHAMOU AND ESTELLE ESTHER BENHAMOU	NWR005906	131,047
175	EDWARD C. DWECK	NM2003553	1,138,693
176	ALLEN SCHWARTZ	STSGC40370, NMZ017011, NMZ010511	134,775

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ID	Name	Accounts¹	SIB CD Proceeds²
177	THE ANTHONY JOSEPH ANTINORI TRUST AND ANTHONY JOSEPH ANTINORI; AND STEVEN JAMES ANTINORI IN HIS CAPACITY AS TRUSTEE OF THE ANTHONY JOSEPH ANTINORI TRUST	NMY114819, NJL027673, NJL027665	1,107,109
178	THE STEVEN JAMES ANTINORI TRUST AND STEVEN JAMES ANTINORI	NMY114819, NJL027673, NJL027665	3,973,548
179	MARIA GUADALUPE MENDOZA AND GUILLERMO HOLMQUIST	NMY001305	8,504
180	MARIA GUADALUPE MENDOZA ROMERO	NMY001305	842,001
181	MARIA SOCORRO CELIA ROMERO DE MENDOZA AND MARIA GUADALUPE MENDOZA	NMY001305	64,500
182	ADRIANA RAMOS	NMY108266	96,666
183	AYALA TRUST	NMY108266	288,000
184	EDUARDO SERRANO BERRY	NMY108266	430,000
185	HECTOR TROCATT AND ADRIANA RAMOS	NMY108266	9,802
186	JOSE ANTONIO VIGORENA	NMY108266	177,500
187	JOSE ANTONIO VIGORENA AND ADRIANA RAMOS	NMY108266	530,000
188	JAMIE COHEN BENREY AND SUSANA PEREZ DE COHEN	NWR003364	2,398,317
189	GENE CAUSEY	NJG006350, STSGC40170, NMW042665, NMW030769, NMW009649	613,289
190	KENNETH W. DOUGHERTY	STSGC40400, NMW024275	641,527
191	TERESA MEMUN DE ALFIE	NWR008272	276,091
192	FRANKLIN HOWARD STANSEL	NJL028952	202,442
193	VINETA P. STANSEL AND HOWARD STANSEL	NJL028952	256,161
194	WESTERN INTERNATIONAL ADVISOR CORP, LTD. S.A.	NWR007696	46,010
195	WESTERN INTERNATIONAL ADVISOR CORP, LTD.	NWR007696	332,906 ⁵
196	WESTERN INTERNATIONAL FINANCIAL CORP, LTD. S.A.	NWR007696	58,010 ⁶
197	WESTERN INTERNATIONAL FINANCIAL CORP, LTD.	NWR007696	196,896 ⁷
198	ABRAHAM DIAMANT	NWR001475	584,785
199	LUIS MIGUEL HERNIAIZ VIGIL	NMY123166, NMY123125, NJL001199	704,735
200	ROSA M. HERNIAIZ	NMY123166, NMY123125, NJL001199	912,618
201	HERMAN A. STONE	NJK512733	715,241
202	PACESETTER ADJUSTMENT COMPANY	NMW011892, NMW011074, NMW001083, NJG007838	2,443,956
203	KRIMICH LTD.	NWR007431	2,634,000
204	MARIA TERESA SAN SEBASTIAN DE VALLE AND JOSE MARIA VALLE ESCAMEZ	NWR007431	200,000
205	JULIO C. RUIZ AND NELLYFER FERRER	NWQ002102	4,808,251
206	MELVIN S. TAUB AND CAROL TAUB	NJF001535	1,065,959
207	KEVIN A. MCKENZIE AND DENISE T. MCKENZIE	NNC010100	806,974
208	DON G. LANDERS	NJG005584, NMW040636, NMW028243, NMW002347	803,134
209	MALCOLM SPILLERS	STSGC41141, NMW031056	589,591
210	CYNTHIA R. MORIARTY	NMY118240, NJL021262, NJL007345	451,101
211	MARY JANE BAXTER AND WILLIAM A. BAXTER	5LW400592	468,862
212	CELINA TRUST	NYQ001654	1,090,910

Notes:

5. This amount includes \$42,010 transferred from SIB accounts in the name of Western International Advisor Corp. Ltd. to Pershing accounts in the name of Lukas Corp. This amount is also reflected in the proceeds amount for Lukas Corp.

6. This amount includes \$15,000 transferred from SIB accounts in the name of Western International Financial Corp. Ltd. S.A. to Pershing accounts in the name of Gatita Blanca. This amount is also reflected in the proceeds amount for Gatita Blanca.

7. This amount includes \$32,010 transferred from SIB accounts in the name of Western International Financial Corp. Ltd. to Pershing accounts in the names of Gatita Blanca and Lukas Corp. This amount is also reflected in the proceeds amounts for Gatita Blanca and Lukas Corp.

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ID	Name	Accounts¹	SIB CD Proceeds²
213	ANTHONY G. PARKER	STSGC40210-1, STSGC40210	1,003,163
214	SALT POND ASSOCIATES	NMZ018753	38,077
215	SETTLER'S HILL L.P. AND MARY HOLMES	NMZ018753	1,585,423
216	THE AMH TRUST AND MARY L. HOLMES	NMZ018753	570,233
217	THE JLH TRUST	NMZ018753	23,469
218	THE JLH TRUST AND THE JNH TRUST	NMZ018753	569,231
219	THE JNH TRUST	NMZ018753	569,877
220	THE KEH TRUST	NMZ018753	570,526
221	THE MAH TRUST	NMZ018753	570,573
222	THE TCH TRUST	NMZ018753	885,244
223	THOMAS R. HOLMES AND MARY L. HOLMES	NMZ018753	518,910
224	WATKINS FAMILY LTD. PARTNERSHIP	NJJ004709, NJJ010227, NJM011890	2,158,527
225	SINGAPORE PUNTAMITA PTE., LTD.	NWR006581	7,907,121
226	JAMES E. BROWN SR.	STSGC40551, NMW025470	590,387
227	CARLOS LANDEROS GALLEGOS AND MARIA DE JESUS LANDEROS GALLEGOS	NWR008439	268,000
228	DENNIS CHILDRESS	STSGC40392, NMW023574	646,426
229	THOMAS W. SLAUGHTER	STSGC40109	634,482
230	CHARLES E. SMITH	STSGC40584, NMW025645	486,996
231	BREWER & PRITCHARD, PC	NMY015594, NMY015578, NMY008953, NJL028671, NJL028531, NJL021775	774,586
232	THOMAS PRITCHARD	NMY015594, NMY015578, NMY008953, NJL028671, NJL028531, NJL021775	84,410
233	HARDEE M. BRIAN AND BETTY JO BRIAN	NMW039612	600,504
234	YOUNG FAMILY CEMETARY TRUST	NMW039612	15,000
235	ANDREW BYRON WINKLE	NJL023631	167,001
236	ANDREW BYRON WINKLE AND ROCIO DEL CARMEN WINKLE	NJL023631	228,147
237	ANNA SANDRA SANTORO TEPEDINO AND VALENTINA MASTROPASQUAS AND ROSA TEPEDINO DE SANTORO	NJL023631	38,000
238	ALBERTO JAVIER BOTELLO REED	NWR008231, NWR002531	1,758,109
239	SILVIA GUADALUPE TAMEZ DE BOTELLO	NWR008231, NWR002531	3,295,520
240	JOSE ANTONIO MONROY CARRILLO	NMY108969	1,054,440
241	ADRIANA ZARAGOZA DELGADO	NJL026667, NJL026642	3,190,440
242	NICHOLAS J. LANZA JR.	NMY060087, NMY011221, NJL010141, NJL010067	193,955
243	NICHOLAS J. LANZA JR. AND BRENDA C. LANZA	NMY060087, NMY011221, NJL010141, NJL010067	789,137
244	ARCHIE SMITH	STSGC41086, NMW030041	510,999
245	RICHARD S. FEUCHT	STSGC40209, NMW022790	486,119
246	RICHARD S. FEUCHT AND JOAN A. FEUCHT	STSGC40209, NMW022790	63,745
247	ELSIE M. PEREZ	NMZ023183	375,171
248	ANGEL SALVADOR SCOTTI MATA AND TERESA BAVIELLO DE SCOTTI	NWR005583, NWR005575	1,017,775
249	MARIANO JOSE SCOTTI MATA	NWR005583, NWR005575	1,004
250	MARIANO JOSE SCOTTI MATA AND MARIANO JOSE SCOTTI	NWR005583, NWR005575	1,053,047
251	ROBERT B. CRAWFORD JR. AND JODIE F. CRAWFORD	NMW015729	322,198
252	DONNA M. VINES	STSGC41328, NMW011389	346,143
253	DOROTHY M. SELIB TRUST AND DOROTHY M. SELIB	STCI10015, STBR10056, STBR10055	126,627
254	MARTHA J. CRUMPLER JOHNSON	STSGC20071	329,726
255	BENTON B. JOHNSON TEST TR II AND BENTON B. JOHNSON	STSGC20072	493,871
256	JOHN F. LYNCH	STSGC41080, NMW041766	3,865,596
257	ANTONIO G. PENDAS	STSGC40286	253,139
258	MATTHEW DELLA POLLA AND NURIA PENDAS	STSGC40286	35,000

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ID	Name	Accounts¹	SIB CD Proceeds²
259	KENNETH G. WILKEWITZ	STSGC40167	112,314
260	DANIEL JOSEPH DAIGLE AND JILDA ANN DAIGLE	STSGC40767	206,065
261	JILDA A. DAIGLE	STSGC40767	76,599
262	JOSEPH W. STRENGTH	STSGC41060	525,341
263	PHILLIP E. LANKFORD JR.	STSGC40193	628,592
264	JOHN E. WILSON	STSGC41160	405,074
265	CLAUDE M. NEEDHAM	STSGC40132	393,458
266	ROBERT SOULE	STSGC40189	457,234
267	SANDRA F. HARRELL	STSGC40156	404,588
268	JOSEPH A. CHUSTZ	STSGC41151	598,797
269	LARRY W. PERKINS	STSGC41127	427,641
270	LAURA JEANETTE N. LEE	STSGC40137	525,006
271	JUANITA QUINEALTY	STSGC40685	119,446
272	CHARLES R. SANCHEZ AND MAMIE C. SANCHEZ	STSGC40268	74,261
273	CHARLES R. SANCHEZ SR.	STSGC40268	368,347
274	MAMIE C. SANCHEZ	STSGC40268	74,502
275	CHERYL B. WATTS	STSGC40276, STSGC40275	83,688
276	THURSTON WATTS JR.	STSGC40276, STSGC40275	136,172
277	THURSTON WATTS JR. AND CHERYL B. WATTS	STSGC40276, STSGC40275	713,574
278	TARRAL E. DAIGLE	STSGC40155	407,361
279	RICHARD A. DEVAL	STSGC40346, STSGC40334	323,730
280	RICHARD DEVAL AND SUE M. DEVAL	STSGC40346, STSGC40334	112,175
281	SUE M. DEVAL	STSGC40346, STSGC40334	116,967
282	MONTY M. PERKINS	STSGC40410	129,492
283	CHARLIE L. MASSEY	STSGC40145	390,809
284	WILLIAM E. ENSMINGER	STSGC40238	154,846
285	ARISTIDE TRELOAR	STSGC40208	650,430
286	MICHAEL J. DRAGO	STSGC40114	593,268
287	JIMMY QUEBEDEAUX	STSGC40538	330,756
288	JUDITH P. SIMMONS	STSGC41198	422,749
289	AUDREY LETARD	STSGC40435, STSGC40163	73,263
290	JUDY A. VARNADO AND PATRICIA A. ALLISON AND AUDREY A. LETARD	STSGC40435, STSGC40163	192,008
291	PATRICIA A. ALLISON	STSGC40435, STSGC40163	78,919
292	GWENDOLYN E. FABRE	STSGC40758	355,934
293	CLYDE ANDERSON	STSGC40092, NMW020315	704,867
294	JOHN O. LETARD	NMW027559, NMW002271	900,452
295	HERMAN J. MILLIGAN JR.	STSGC40387	1,259,160
296	RONALD W. VALENTINE	STSGC41312	347,071
297	KERRY R. KLING	STSGC41278	544,863
298	CHARLES A. JAMES	STSGC41252	360,149
299	EMOLYN L. WATTS	STSGC40344	364,391
300	LYNN G. GILDERSLEEVE	STSGC41030	53,776
301	ROBERT GILDERSLEEVE JR. TRUST AND ROBERT GILDERSLEEVE JR.	STSGC41030	10,689
302	ROBERT V. GILDERSLEEVE JR.	STSGC41030	80,333
303	WILLA MAE GILDERSLEEVE	STSGC41030	171,597
304	WILLA MAE GILDERSLEEVE AND LYNN G. GILDERSLEEVE	STSGC41030	163,926
305	OLIVIA S. WARNOCK	STSGC40934	392,684
306	KATHLEEN F. MELILLI	STSGC40284	298,965
307	JOHN E. TAYLOR	STSGC40601	639,110
308	ARTHUR R. WAXLEY JR.	STSGC40444	616,268
309	ROBERT YOUNG JR.	STSGC40820	360,477
310	DOROTHEA M. YOUNG	STSGC40819	124,680
311	GLENDA D. THOMAS	STSGC41345	682,331
312	DOT G. MELDER	STSGC41161	70,792

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ID	Name	Accounts¹	SIB CD Proceeds²
313	JACK W. MELDER	STSGC41161	2,200
314	JACK W. MELDER AND DOT G. MELDER	STSGC41161	433,163
315	JOHN D. COOPER	NJG005394, STSGC40347-1	619,750
316	DARRELL D. COURVILLE	STSGC40105, NMW043226, NMW021297, NMW010324, NMW003857	685,960
317	DENNIS LANTRIP	STSGC40611	477,927
318	TROY L. LILLIE JR.	STSGC40384	954,310
319	ROBERT L. BUSH	STSGC40746	826,384
320	DOROTHY T. DUNCAN	STSGC40138	564,694
321	JOHN R. HOLGUIN	STSGC40586	660,144
322	JOHN G. COHRON	STSGC40249	103,321
323	JOHN GLEN COHRON	STSGC40249	76,844
324	BARBARA ANTHONY	STSGC40216-1, STSGC40216	345,382
325	MICHAEL R. HOLCOMB	STSGC40989	278,364
326	EDGAR THERON OVERLAND	STSGC41214	416,269
327	JOHNNIE A. GRIFFITH	STSGC41074	504,428
328	GARY WOOD	STSGC40515	641,620
329	AZALEA REST CEMETARY INC. IRREV TRUST, AZALEA REST CEMETARY INC., AND GEORGE B. ANNISON, IN HIS CAPACITY AS TRUSTEE OF AZALEA REST CEMETARY INC. IRREV TRUST	STSGC20113	78,985
330	GEORGE BUR ANNISON AND DIANE B. ANNISON	STSGC20113	1,402,295
331	REUEL L. ANDERSON	STSGC20073	234,288
332	REUEL L. ANDERSON JR.	STSGC20073	879,673
333	JAMIE/NICKY CARR INS. TRUST AND JAMIE CARR AND NICKY CARR	STSGC20062	208,100
334	BARBARA RATHBONE AGENCY	STBR10005	15,603
335	BARBARA V. RATHBONE	STBR10005	76,031
336	BARBARA V. RATHBONE CRT AND BARBARA V. RATHBONE	STBR10005	283,946
337	AUBREY O'NEAL CLEMENT	NGW352257	8,524,408
338	BLUFF CREEK REDI-MIX, INC.	NJG004066, NMW020539, NMW009169	114,563
339	FLEN ROCK COMPANY, LLC.	NJG004066, NMW020539, NMW009169	234,750
340	FLENIKEN SAND & GRAVEL, INC.	NJG004066, NMW020539, NMW009169	107,944
341	LYMAN L. FLENIKEN JR.	NJG004066, NMW020539, NMW009169	186,097
342	CALVIN DARDEN	NJB010258	350,000
343	GENESIS TODAY, INC.	NMX012329	3,500,000
344	MARY MENDOZA DE CAPRILES	NMZ006246	157,857
345	TULIO M. CAPRILES	NMZ006246	119,231
346	GATITA BLANCA	NWR007415, NWR002135	37,010 ⁸
347	LAURA ROZANES LOMBROZO AND MOISES BOGOMOLNY HOP	NWR007415, NWR002135	19,112
348	LUKAS CORP.	NWR007415, NWR002135	392,495 ⁹
349	BELRON INVESTMENTS LIMITED	NMY101303	2,105,198
350	RICHARD A. ARKIN AND KAREN J. ARKIN	NM2002365	227,908
351	ROSS D. BRUCE AND MARSHA C. BRUCE	NMW028011	564,992
352	PEGGY PAYNE MORAGNE	NMW002172	401,818
353	DAVID BRUCE EZARIK	NJL024720	297,613
354	DONALD P. GRIFFITH	NMY125864, NJL009259	222,778
355	LITHOTRIPSY, LTD.	NMY125864, NJL009259	175,057

Notes:

8. This amount reflects money transferred from SIB accounts in the names of Western International Financial Corp. Ltd. and Western International Financial Corp. Ltd. S.A. to Pershing accounts in the name of Gatita Blanca. This amount is also reflected in the proceeds amounts for Western International Financial Corp. Ltd. and Western International Financial Corp. Ltd. S.A.

9. This amount includes \$52,010 transferred from SIB accounts in the names of Western International Financial Corp. Ltd. and Western International Advisor Corp. Ltd. to Pershing accounts in the name of Lukas Corp. This amount is also reflected in the proceeds amounts for Western International Financial Corp. Ltd. and Western International Advisor Corp. Ltd.

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ID	Name	Accounts¹	SIB CD Proceeds²
356	THE D.P. GRIFFITH FAMILY LIMITED PARTNERSHIP AND D.P. GRIFFITH	NMY125864, NJL009259	195,787
357	THE K & K GRIFFITH, L.P.	NMY125864, NJL009259	276,405
358	NEN FAMILY TRUST	0C9405204	1,291,586
359	CORPORATE HEALTHCARE MANAGEMENT DEF BEN PL AND CORPORATE HEALTHCARE MANAGEMENT	NMY100123	315,637
360	PINOT HOLDINGS LIMITED	NMY018622, NJL027517	1,083,209
361	JULIO SERGIO BUENO Y CADENA AND MARIA ELENA RAMIREZ DE BUENO	NMY119909	3,306,667
362	MICHAEL A. SPEEG	STSGC40236-1, NMW012247	837,380
363	JOHN G. DENISON AND KATHY R. DENISON	NJE262369	585,734
364	DAVID S. CARROLL JR. AND DELAINE D. CARROLL	NJM022699	250,000
365	GAIL G. MARQUETTE	NMW026858	108,783
366	NUMA L. MARQUETTE	NMW026858	196,875
367	PATRICIA W. HIRSCH	NMY112250, NJL021577, NJL007378	373,058
368	PLATEAU TELECOMMUNICATIONS	NJE212265, NJE212257	4,188,567
369	ROBERT C. WILLIAMS	NMY129932	263,728
370	JORGE SOLORZANO Y MOSQUEDA	NMY008755	676,720
371	ROBERT G. FESSLER 2001 INVESTMENTS TRUST AND ROBERT G. FESSLER	NJF010007, NJF001238, NM2010012	13,027,693
372	MICHAEL J. TIMMONS	NJM029298	540,082
373	BYRON A. RATLIFF	NJG004801	188,888
374	SIDNEY HOLMES	NJL025305	125,000
375	SIDNEY HOLMES AND VICKI E. HOLMES	NJL025305	25,000
376	JEFF P. PURPERA JR.	NM4011851, NM4011117	597,693
377	STEVEN J. BRADING AND SHARON K. BRADING	NJG004215	405,895
378	BORDEAUX INVESTMENTS I C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	121,752
379	BORDEAUX INVESTMENTS III C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	72,435
380	BORDEAUX INVESTMENTS IX C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	43,642
381	BORDEAUX INVESTMENTS X C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	12,018
382	PROVENCE MANAGEMENT STICHTING I AND BORDEAUX INVESTMENTS I C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	7,423,766
383	PROVENCE MANAGEMENT STICHTING III AND BORDEAUX INVESTMENTS III C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	4,836,717
384	PROVENCE MANAGEMENT STICHTING IX AND BORDEAUX INVESTMENTS IX C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	2,858,196

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ID	Name	Accounts¹	SIB CD Proceeds²
385	PROVENCE MANAGEMENT STICHTING X AND BORDEAUX INVESTMENTS X C.V.	NMY136010, NMY135996, NMY135988, NMY135970, NMY020552, NMY020388, NMY020370, NJL029216, NJL029208, NJL029190, NJL029182, NJL029174, NJL029166	652,034
386	RONALD E. WELLS	STSGC40564, NMW025413	544,643
387	RONALD E. WELLS SR. AND LUTHER D WELLS	STSGC40564, NMW025413	288,992
388	JAMES STANLEY HARRIS	NJG007200, NJG007192, NJG007127, NJG007119, NJG007101, NMW014540, NMW003261	1,574,390
389	CECILIA VAISMAN VDA. DE CZUKERBERG	NWR002218	385,444
390	SANFORD STEINBERG	STSGC40942	171,534
391	GERALD S. PASTERNAK	NMZ011311, NMZ011113, NMZ010867, NJV002808	335,000
392	BBRATSS PRODUCTIONS, INC.	NJG007150, NJG007143, NMW007239, NMW006462, NJG012432, NJG012416	108,658
393	TIMOTHY RUSSELL RICKETTS AND ROSE S. RICKETTS	NJG007150, NJG007143, NMW007239, NMW006462, NJG012432, NJG012416	2,349,367
394	GEORGANN MIRE	NJG001336, STBR20016	658,465
395	JAMES S. COURIER	NJL001496	437,728
396	TAHSIN YILMAZ KALKAVAN	NJF010106, NJF010098, NJF010072, NJF001071, NJF001014, N13010009	287,705
397	MONROE J. RATHBONE	NJG001583, STSGC400801, NMW022766	1,697
398	MONROE J. RATHBONE IV	NJG001583, STSGC400801, NMW022766	145,042
399	GNOE C.V.	NMY004093, NJL008921, NJL002197	270,726
400	DANIEL CHERNITZKY LASKY AND MERY MOTOLA COHEN DE CHERNITZKY	NWR003265	10,000
401	R AND T CHERNY SISTERS INC.	NWR003265	1,619,865
402	SAMUEL CHERNITZKY LIFSHITZ AND TERESA LASKY DE CHERNITZKY AND ESTEBAN CHERNITZKY LASKY AND DANIEL CHERNITZKY	NWR003265	60,000
403	JAMES R. LAWSON	NNC010068, NJK560005, NJK511925	1,296,913
404	ANTHONY J. VENTRELLA	STSGC41266	483,222
405	RONALD W. PARKER	NMW022808	693,782
406	JOSEPH R. THIBODEAUX AND SUSAN E. THIBODEAUX	NJG002458	189,661
407	WALDMAN, LTD.	NMY100529, NJL027194	2,069,266
408	THOMAS DE FRANCO JR. REVOCABLE TRUST AND THOMAS DE FRANCO JR.	0C9600382	210,752
409	RUBEN J. CRUZ	NJB011199	161,609
410	STEPHEN J. BURNHAM	NJG003274, NJG002649, NJG002631, NMW007817	1,436,883
411	JAMES D. SIMMONS	NMW024812	836,365
412	PATRICK JOSEPH BOYLE AND LAURA MARGARET BOYLE	NMY001842	836,310
413	CHERAY ZAUDERER HODGES	88761010	506,027 ¹⁰
414	LUTHER HARTWELL HODGES	88761010	125,027 ¹⁰
415	LUTHER HARTWELL HODGES AND CHERAY ZAUDERER HODGES	88761010	1,849,647 ¹⁰
416	MICHAEL A. HILLMAN AND DARLENE M. HILLMAN	NMW028623	2,207,940
417	DELCO FINANCE, INC.	NMY106435	452,205
418	DELCO FINANCE, INC. AND RIGOBERTO INIGUEZ	NMY106435	1,510,000
419	ANTONIO SANCHEZ RAMOS	NMY121343	528,919
420	GOLD WING PARTNERS	NM2010855	1,425,427
421	ERIC TUCKER	NJM030312	156,101
422	ERIC TUCKER AND JENNIFER TUCKER	NJM030312	91,414
423	CURTIS COLLINS	NGW012539	1,752,103

Notes:

10. Figures based on SGC accounts residing at JPMorgan.

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ID	Name	Accounts¹	SIB CD Proceeds²
424	ROBERT S. GREER AND ALICE D. GREER	NM4210081	1,152,524
425	JEAN G. MANCUSO AND LYDIA O. LEMOINE	NJG004397	31,866
426	WILLIAM A. MANCUSO AND JEAN G. MANCUSO	NJG004397	178,427
427	DR. CAROLYN VILLARRUBIA	NJL005026	154,602
428	THE DAVIS REVOCABLE TRUST	NM4014012	857,661
429	JAMES W. BORING JR.	NMW011702	612,235
430	DAVID P. JOHNSON	NM4210057	749,579
431	ELENA TRON DE ZEPEDA CARRANZA	NMY005611	2,424,189
432	MAURICIO ZEPEDA CARRANZA	NMY005611	131,000
433	ANASTACIO MOGOLLON TRUST AND ANASTACIO MOGOLLON	NYQ001134	502,544
434	ARCHIE TRUST	NYQ001134	415,000
435	YAIR SHAMIR AND ELLA SHAMIR	NJM007856	1,119,721
436	ROBERT JUAN DARTEZ, LLC	NJG001617, NMW035743, NJG012549, NJG010097	1,689,212
437	ROBERT L. HOLLIER	NJG003555, NJG003548, NMW014235	1,742,552
438	MICHAEL WHEATLEY AND BETTY WHEATLEY	NJE260173, NJE211846, NJE211838, NJE211820, NJE210210, NM4010796	1,699,536
439	ARACELI DOMINGUEZ DE VALERO TRUST AND ARACELI DOMINGUEZ DE VALERO AND RAFAEL DOMINGUEZ JR.	NMZ023639, NMZ023555	300,000
440	MARIA TERESA DOMINGUEZ TRUST AND RAFAEL DOMINGUEZ AND MARIA T. DOMINGUEZ AND MARIA TERESA DOMINGUEZ NICOLAS	NMZ023639, NMZ023555	380,045
441	RADOK INVESTMENTS LIMITED	NMY100420, NJL027129	452,870
442	RICARDO GONZALEZ CABRERA	NWR002879	2,391
443	RICARDO GONZALEZ CABRERA AND ALEJANDRA HILDA GONZALEZ GARCIA	NWR002879	65,559
444	RICARDO GONZALEZ CABRERA AND ALFONSO GONZALEZ GARCIA	NWR002879	66,358
445	RICARDO GONZALEZ CABRERA AND IGNACIO RICARDO GONZALEZ GARCIA	NWR002879	29,554
446	RICARDO GONZALEZ CABRERA AND IGNACIO RICARDO GONZALEZ GARCIA AND ALFONSO GONZALEZ GARCIA AND RODOLFO GONZALEZ GARCIA	NWR002879	4,129,786
447	RICARDO GONZALEZ CABRERA AND RODOLFO GONZALEZ GARCIA	NWR002879	118,130
448	MARTHA H. BAKER	NJE210152	213,709
449	RICHARD O. HUNTON	NMY135749	1,810,254
450	ARTHUR TORNIO	NM4010481	283,946
451	MARY E. GERRY	NJG001344	432,443
452	DENNIS JAMES MIGL	NMY001131	121,348
453	MISSISSIPPI POLYMERS, INC.	NJJ010078	556,363
454	FELIPE GONZALEZ	NMY013334	1,024,545
455	BILLIE RUTH MCMORRIS	STSGC40252-1, STSGC40252, STSGC40247-1, STSGC40247, NMW009680	171,456
456	RONALD B. MCMORRIS	STSGC40252-1, STSGC40252, STSGC40247-1, STSGC40247, NMW009680	115,356
457	RONALD MCMORRIS AND VIRGINIA MCMORRIS	STSGC40252-1, STSGC40252, STSGC40247-1, STSGC40247, NMW009680	723,071
458	VIRGINIA H. MCMORRIS	STSGC40252-1, STSGC40252, STSGC40247-1, STSGC40247, NMW009680	139,716
459	FLEX, LTD.	NJL028515	221,596
460	NADI HOLDINGS, LTD.	NJL028515	56,775
461	ROMANO INTERNATIONAL, LTD.	NJL027160	393,957
462	J. MICHAEL GAITHER	NNC010332	765,692

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ID	Name	Accounts¹	SIB CD Proceeds²
463	KATHY WEISS REVOCABLE TRUST AND KATHY WEISS	NJL010521	201,032
464	RANDALL E. YOUNGS	NM4063241	203,993
465	GENEVA SUE PALMER	NJM029843, NJJ002349	76,351
466	ROBERT E. PALMER	NJM029843, NJJ002349	890,037
467	J. RUSSELL MOTHERSHED	NJJ110936	279,702
468	CHARLES E. BAKER	NMY103846	410,339
469	NORA E. GAY AND RICHARD E. GAY	NM4015183	112,338
470	WILLIAM C. PROVINCE	NMY111898, NMY010389, NJL028002	1,949,126
471	ROLAND SAM TORN	NMY017897	1,035,355
472	THE SECOND AMENDED AND RESTATED ROBERT A. HOUSTON REVOCABLE TRUST AND ROBERT A. HOUSTON	NM4015456	2,758,146
473	MALTON OVERSEAS LTD.	NMY101493, NJL027145	1,802,059
474	JAIME SOLANO SOTO	NMY122465	100,000
475	ANGEL DELIO NIEUW	NJV004960	20,426
476	ANGEL DELIO NIEUW AND MARIA P. C. NIEUW-CAEL	NJV004960	438,496
477	COUNTRY HILL INVESTMENT, N.A.	NJV004960	1,750
478	MURFIELD INVESTMENTS INC.	NJV004960	174,109
479	YOLANDA LORIE	NMW002339	278,736
480	CHARLES L. FELNER	NJJ006498	288,405
481	PHILLIP E. MARRETT	NNC010548	890,610
482	EDITH IRMA WATTS	NMW030918	539,225
483	PETER MANSUR	NJE261148	575,477
484	MARY F. MILLS	NMW040545	149,152
485	MICHAEL C. MOSLEY	NMW040545	101,699
486	MAPLE LEAF CAPITAL, LLC	NMX990151, NMX090564	150,000
487	BRILMAR INVESTMENTS LIMITED	NJL027137	420,478 ¹¹
488	GRACE PEREZ	NMY105700, NMY105312, NMY100933	178,301 ¹²
489	KIRKWEIL C.V.	NMY102020	13,791,011
490	DAVID HINOJOSA AND LAURA ANDONEGUI GONZALEZ	NMY135962, NMY100024, NJL029158	337,300
491	FETZER OVERSEAS LIMITED AND LAURA GONZALEZ DE ANDONEGUI	NMY135962, NMY100024, NJL029158	38,238
492	INMOBILIARIA EAL	NMY135962, NMY100024, NJL029158	170,413
493	LAURA GONZALEZ DE ANDONEGUI	NMY135962, NMY100024, NJL029158	1,500
494	LAURA GONZALEZ DE ANDONEGUI AND LAURA ANDONEGUI GONZALEZ	NMY135962, NMY100024, NJL029158	59,500
495	VERRET MANAGEMENT CORPORATION	NWR003182	1,737,587
496	MICHAEL S. ASMER	NMZ016377, NMZ011337, NMZ010057, NJV002337	1,029,845
497	NANCY E. ENGLE	NJE212844	357,024
498	JODY L. BOYD AND SHELLEY J. BOYD	NMW014268	1,734,336
499	THOMAS E. BROWN AND BARBARA BROWN	NMZ020973, NJV004432, NJV004424, NJV003095, NJV003087	2,109,254
500	GEORGE T. GRAVES III	NM4001076	1,225,000
501	ALEX FERNANDEZ	NMZ004332	410,390
502	RENE FERNANDEZ	NMZ004332	50,095
503	ALGAMA L.T.D. C.A.	NWR004842	1,054,650
504	INVERSIONES PATRICK ROGER P AND PATRICK PETIOT	NWR004263	63,480

Notes:

11. The proceeds amount for Brilmar Investments Limited includes \$178,301.39 that Brilmar Investments Limited transferred to Grace Perez from its SIB CDs. This amount is also included in Grace Perez's proceeds amount.

12. Grace Perez received \$178,301.39 in proceeds from SIB CDs in the name of Brilmar Investments Limited. This amount is also included in Brilmar Investments Limited's proceeds amount.

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ID	Name	Accounts¹	SIB CD Proceeds²
505	PATRICK LORIS ROGER PETIOT	NWR004263	662,678
506	JAIME SMOLENSKY	NWR001855	1,182,231
507	VICSAR INVESTMENTS LIMITED	NMZ005198	783,191
508	DIFFICULTY HOLDINGS LIMITED	NMY101279	616,734
509	COFFEY OVERSEAS LIMITED	NMY019299	1,493,479
510	MUDDY WATER HOLDINGS LIMITED	NMY018630	1,585,169
511	MANUEL LOPEZ MAZUELAS	NWR008249	989,303
512	LIGIA ESPINEL MARTINEZ	NWR004578	217,559
513	SUSAN D. SANFORD	NJL028820	664,847
514	WILLIAM BRUCE JOHNSON AND JENNIFER SAVOIC JOHNSON	NMW003444	245,464
515	PAUL BYRD AND KYM BYRD	NMW002594	2,826,933
516	DIANE DUNN	NMW004368	245,528
517	JOHN M. COLGIN	NMY001859	1,490,113
518	JOBEL TRUST	NYQ002108	434,147
519	JOSEBEL TRUST	NYQ002108	122,630
520	JOTABE TRUST	NYQ002108	2,330,946
521	NETFIELDIC TRUST	NYQ001142	571,643
522	CARLOS BUSTAMANTE ALVAREZ AND LUISA FERNANDA ROMO LEROUX	NWR005138	396,978
523	JOSE LUCIANO MENDEZ ALONSO AND MARIA DEL ROCIO CORONA ODRIOLZOLA	NWR003059	753,391
524	CELIA DANTUS WEBER AND LEOPOLDO BIMSTEIN RIZERMAN AND MIRIAM BIMSTEIN DANTUS	NWR002812	6,000
525	LABTEC INV. CORPORATION AND LEONOR RODRIGUEZ	NWR002812	816,197
526	MIRIAM BIMSTEIN DANTUS	NWR002812	9,090
527	ALBERTO CARLOS CURIS GARCIA	NWQ001039	12,367
528	CURRICHI FOUNDATION	NWQ001039	700,733
529	MARIA DE LOURDES GUEVARA DE CURIS AND ALBERTO CARLOS CURIS GARCIA	NWQ001039	849
530	LUIS G. PEREZ	NMW011082	1,942,929
531	JOHN D. SANTI IRA	NJM032789	799,038
532	JAMES M. BATES	NMY114116	425,802
533	LPC INTERNATIONAL TRUST AND LPC INTERNATIONAL	NWR006268	196,591
534	DARSHAN SINGH DHALIWAL TRUST AND DARSHAN SINGH DHALIWAL	NMZ023357	3,001,596
535	RAUL RODRIGUEZ MENDEZ	NJL028614	454,582
536	VICTOR MANUEL ALFARO ARAUJO AND MARIA DEL CARMEN ESCOBEDO DE ALFARO	NMY102301	720,358
537	CRAYFORD HOLDINGS LIMITED	NMY019315	2,525,195
538	CARL MONTE	NM2090048	334,041
539	CAROLYN CRANSTON	NMY100065, NMY100057, NMY014845, NJL025503	149,055
540	DAVID MARK KELSO	NMY100065, NMY100057, NMY014845, NJL025503	14,134
541	THOMAS H. TURNER	NJE211077, NM4011406	2,957,505
542	DEBORAH S. FORBES	NMW010936	10
543	GEORGE KENDALL FORBES	NMW010936	699,663
544	GEORGE KENDALL FORBES AND DEBORAH S. FORBES	NMW010936	981,516
545	WAYLAND B. ALEXANDER	NMW020679	734,912
546	JOHN D. NOTTINGHAM JR. AND JUDITH R. LEWIS	NMY131151	39,706
547	JOHN D. NOTTINGHAM JR. TRUST AND JOHN D. NOTTINGHAM JR.	NMY131151	3,583
548	THE J.D. NOTTINGHAM LIMITED PARTNERSHIP	NMY131151	9,912

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ID	Name	Accounts ¹	SIB CD Proceeds ²
549	THE J.D. NOTTINGHAM LIMITED PARTNERSHIP AND J.D. NOTTINGHAM	NMY131151	54,579
550	ROBERT H. KLUG	NMY119016	279,049
551	A.A. BUILDERS LTD.	NWR005211	674,210
552	DANECO B.V.	NMZ018134, NMZ005966, NMZ005636	1,244,875
553	DVX CAPITAL	NMZ018134, NMZ005966, NMZ005636	1,302,923
554	IRM INVESTMENTS, INC.	NMZ018134, NMZ005966, NMZ005636	1,422,797
555	STICHTING PARTICULIER FONDS EL TRIBUTO	NMZ018134, NMZ005966, NMZ005636	637,001
556	MARIO BRAUN RUSSEK	NMY121996	2,051,958
557	TERLINK, INC.	NMY020610	3,270,235
558	YENZO INVESTMENT, INC.	NMY102004	843,542
559	SLEEPING DOG HOLDINGS, LTD.	NMY018614	1,465,461
560	BONNER HOLDINGS, LTD.	NMY020719	19,763
561	DONEGAN, LTD.	NMY020719	1,938,927
562	BRIARVALE HOLDINGS, LTD.	NMY101287	735,241
563	RUBE HOLDINGS, LTD.	NMY118448	813,938
Total SIBL CD Proceeds			373,000,093 ¹³

Notes:

13. This total has been reduced by \$267,321.39 to account for the adjustments referenced in footnotes 5-9 and 11.

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ID	Name	Amount Funded to Receiver's Escrow Account
1	ROBERT GILLIKIN AND MARTHA GILLIKIN	\$ 435,094
2	THOMAS J. MORAN	5,670,425
3	JOHN R. PAINTER	239,857
4	DENNIS J. FERRA AND KAREN S. FERRA	227,962
5	DANIEL PAUL LANDRY AND DIANNA LYNN LANDRY	31,156
6	HENRY A. KLEIN	58,026
7	CARLOS FELIPE PENA	303,635
8	DAVID JONATHAN DREW	1,299,424
9	JAY STUART BELL	1,288,685
10	JOHNNY DAVID DAMON	400,070
11	GREGORY ALAN MADDUX	3,669,735
12	BERNABE WILLIAMS	1,542,962
13	ANDRUW RUDOLF BERNARDO JONES	1,033,732
14	SUSAN EPSTEIN	59,030
15	MARVIN WENITSKY	35,110
16	VALERIE J. KALTMAN	62,112
17	ROSINE CHAPPELL	25,575
18	VALERIE DALY HAUSLADEN	114,373
19	GUIFENA CORP.	28,796
20	EDWARD L. VAUGHN AND KAREN E. VAUGHN	23,102
21	WILLIAM A. WELBORN	153,052
22	JON KARL GOECKEL AND LORETTA B. GOECKEL	24,606
23	LUSKY INVESTMENT PARTNERSHIP, LP	287,820
24	MORTIMER F. CURRIER AND KATHERINE F. CURRIER	88,141
25	LEJEUNE T. MILLS AND GILBERT C. MILLS ¹	101,354
26	JAMES F. HAUN AND KALEN K. HAUN	38,298
27	KENNETH MEACHAM	34,358
28	MARTHA AGUADO DE DONNADIEU AND EMILIO DONNADIEU AGUADO	28,286
29	VERONA BELLE SPATZ	29,243
30	ESTATE OF JUSTINE H. SMITH	33,502
31	SUSAN CREEKMORE HEIM	18,142
32	RALPH MACDONALD	259,894
33	WILLIAM K. GREINER	15,576
34	LINDA MCSPADDEN MCNEIL	55,484
35	EDUARDO IGARTUA RUILOBA AND LA ESTANCIA C.C.	54,051
36	BOBBY G. WILKERSON	76,005
37	GEORGE B. LORMAND, JR.	34,163
38	ERIC R. GEORGE	350,000
39	CHRISTOPHER ALLRED	115,269
40	TERENCE BEVEN AND ELIZABETH BEVEN	119,132
		\$ 18,465,237

Notes:

1. Lejeune T. Mills and Gilbert C. Mills have executed a stipulation. They have transferred to the Receiver's escrow account only \$101,353.96 of the SIBL proceeds amount, which is \$381,353.96; their Pershing account also remains held.

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KVT-6

ID	Name	SIB CD Proceeds (2008 - 2009) ¹
1	GARY D. MAGNESS IRREVOCABLE TRUST, GARY MAGNESS, GMAG LLC AND MAGNESS SECURITIES LLC	\$ 88,200,000
2	LIBYAN FOREIGN INVESTMENT CO.	54,830,930
3	REGIONS BANK AS TRUSTEE FOR LPFA II CITY PLAZA PROJECT SERIES 2008 AND II CITY PLAZA LLC	39,108,276
4	JUERGEN KURT WAGENTROTZ AND JURGEN KURT WAGENTROTZ ERNST	38,465,878
5	MICHEL MORENO	27,035,583
6	ANGLO-ATLANTIC STEAMSHIP CO. LTD.	16,276,638
7	SALBUR INVERSIONES C.A.	15,782,610
8	CATALYST PRIVATE EQUITY PARTNERS (ISREAL) II L.P.	12,571,955
9	BRUCE THOMPSON AND MICHELLE THOMPSON AND BRUCE THOMPSON	11,915,092
10	COMPANIA MEXICANA DE AVIACION S.A. DE C.V.	10,159,050
11	ANTONY MANSOUR AND REHAN MANSOUR, ANTONY MANSOUR, JOSEPHINE MERY, FRANCOISE SOLANGE MERY AND JOSEPHINE MERY	9,824,067
12	BRETT LANDES	9,633,275
13	FAYHILL INTERNATIONAL	9,297,644
14	MANSURA ENTERPRISES CV	8,351,534
15	EDWARD HYLTON JONES AND EDWARD HYLTON JONES AND SHIRLEY GLORIA JONES	5,975,887
16	GEORGE JOSEPH ROLLAR AND GEORGE JOSEPH ROLLAR AND DOLORES MAY PAYER ROLLAR	5,953,512
17	WEST MEADOWS LTD.	5,914,956
18	AMERICAN FAMILY ASSOCIATION INC.	5,722,450
19	VALNAMEX S.A.	5,487,179
20	FARISTON OVERSEAS LTD.	5,248,300
21	JAMES E. RICHARDSON FAMILY TRUST	5,097,757
22	GALO ENRIQUE VILLAMAR VILLAFUERTE	5,062,585
23	PERFORMANCE CONTRACTORS INC.	5,035,156
24	AGNETA LAURIN, HANS LAURIN AND AGNETA LAURIN AND HANS LAURIN	5,032,110
25	CLAUDIO ENRIQUE HERNANDEZ VILLALOBOS	4,950,363
26	NUNVAV INC.	4,787,138
27	RODOLFO ROYE SOUTOU, JONATHAN ROYE FARCHEG AND RODOLFO ROYE SOUTOU, RODOLFO ROYE SOUTOU AND LOURDES FARCHEG DE ROYE AND JONATHAN ROYE AND ALEXANDER ROYE	4,734,185
28	CORPORACION NACIONAL DE INVERSIONES SA DE CV	4,635,831
29	INVERSIONES VARMOL TRUST CARE OF DR. JORGE MARIO VARGAS P. AND INVERSIONES VARMOL TRUST	4,378,878
30	MR INTERNATIONAL GROUP LTD.	4,060,329
31	ANCAR FUTURE TRUST	4,000,587
32	EDUARDO A. NAJERA AND EDUARDO A. NAJERA AND JENNIFER M. NAJERA	3,992,535
33	INTERMEDIA LTD.	3,863,952
34	RITA MEIER KNUDSON REVOCABLE TRUST	3,635,537
35	OSCAR HUMBERTO VILLARREAL AGUERO AND OSCAR VILLARREAL	3,528,546
36	INTERNATIONAL PETROCHEMICAL SALES LIMITED	3,463,187
37	TRIMECA, TRIMECA TRUST AND TRIMECA (TRABAJOS INDUSTRIALES Y MECANICOS)	3,440,378
38	ELEVEN TWENTY-TWO LLC	3,247,484
39	PINGYI HE ORRUILIAN WU DE HE AND PINGYI HE	3,237,629
40	ARTURO ORTEGA GONZALEZ AND MARIA CAROLINA ORTEGA GONZALEZ AND GERMAN LUIS ORTEGA GONZALEZ AND ARTURO ORTEGA GONZALEZ	3,226,241
41	TA TRUST	3,200,000
42	ALGICA S.A.	3,186,945
43	AIRS LTD.	3,167,334

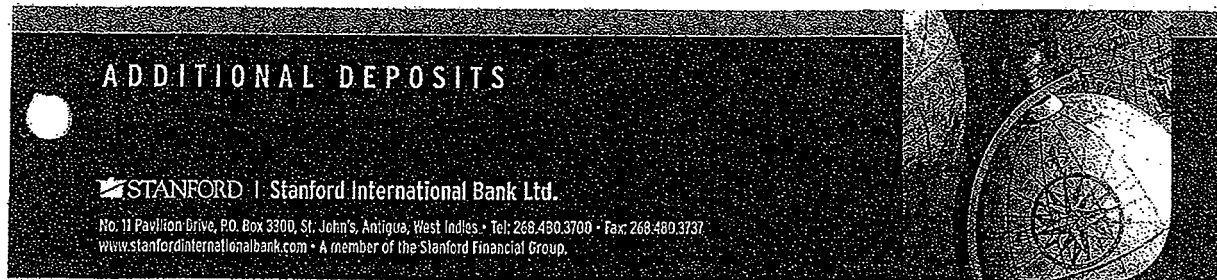
KVT-6

ID	Name	SIB CD Proceeds (2008 - 2009) ¹
44	NONNA E TRUST	3,079,824
45	DEMETER A.V.V.	2,985,953
46	GLOBAL ADVISORS C.A.	2,620,147
47	NAIRC B.V., NAIRC-NETHERLANDS ANTILLEAN INSURANCE AND NAIRC-NETHERLANDS ANTILLEAN INSURANCE AND REINSURANCE COMPANY	2,467,127
48	ANIROC HOLDING LTD.	2,073,448
49	INMOFYBE S.A.	1,857,815
		\$ 493,803,818

Notes:

1. Those outgoing transactions denominated in a foreign currency were converted on the day of transaction using a historical daily conversion rate.

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Bank clients can make additional deposits to their accounts in one of the following ways:

1. Send personal or bank cheques:

- The cheque should be made out in favour of Stanford International Bank Ltd. followed, in parentheses, by the name or number of the account to be credited.

or

by indicating in the reference section on the front of the cheque, the name or number of the account to be credited.

or

by indicating on the back of the cheque, the name or number of the account to be credited.

- Cheques made out in your favour may also be deposited.

2. Send a wire transfer:

- Please inform your financial consultant before sending funds in this manner.
- The instructions you provide your bank should include the following:

For US Dollars –

*Please wire US\$ _____ (Amount)

TO: THE TORONTO-DOMINION BANK
International Banking Center, Toronto, Ontario, Canada
SWIFT: TDOM CA TT

To be deposited to the account of:

STANFORD INTERNATIONAL BANK LTD. (#0360012161670)
SWIFT: SIBP AG AG

REF: _____
(Your Name)

(Account Number)

FOIA - Confidential Treatment Requested by Ralph S. Janvey, as Receiver for R. Allen Stanford, James M. Davis, Laura Pendergast Holt, Stanford Group Co., Stanford Capital Management LLC, Stanford International Bank Limited, Stanford Financial Group, and The Stanford Financial Group BLDG, Inc.

(continued on reverse)

STAN P DOJ_0031499

For Canadian Dollars --

"Please wire CDN\$ _____ (Amount)

TO: THE TORONTO-DOMINION BANK
International Banking Center, Toronto, Ontario, Canada
SWIFT: TDOM CA TT

To be deposited to the account of:

STANFORD INTERNATIONAL BANK LTD. (#0360012161573)
SWIFT: SIBP AG AG

REF: _____
(Your Name)

(Account Number)

For British Pounds --

"Please wire GBP _____ (Amount)

TO: HSBC BANK PLC
London, United Kingdom
SWIFT: MIDLGB22XXX

To be deposited to the account of:

STANFORD INTERNATIONAL BANK LTD. (Sort code 40-05-15, acct. #58180160)
SWIFT: SIBP AG AG

REF: _____
(Your Name)

(Account Number)

For Euros --

"Please wire Euros _____ (Amount)

TO: HSBC BANK PLC
London, United Kingdom
SWIFT: MIDLGB22XXX

To be deposited to the account of:

STANFORD INTERNATIONAL BANK LTD. (Sort code 40-05-15, acct. #58293136)
SWIFT: SIBP AG AG

REF: _____
(Your Name)

(Account Number)

FOIA - Confidential Treatment Requested by Ralph S. Janvey, as
Receiver for R. Allen Stanford, James M. Davis, Laura Pendergest
Holt, Stanford Group Co., Stanford Capital Management L.L.C.,
Stanford International Bank Limited, Stanford Financial Group, and
The Stanford Financial Group BLDG, Inc.

STAN P DOJ_0031500

SIB27 ENG

17296 (Replaces 1862 5823) 07.06 1044 GLF

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Investment Portfolio Summary Information

For the Quarter Ended June 30, 2009

Table	Company	Symbol	Exchange	Hold	Invested Amount (\$000's)	Total	Pro-Forma Estimated Valuation Outlook		Fully Diluted Ownership
							Low (\$000's)	High (\$000's)	
4	Elanco Solutions, Inc.	ELAN	OTC		\$150,582	\$150,582	\$331,000	\$331,000	58.04%
5	American Leisure Group, LTD	ALG	AIM	\$15,665	\$50,723	\$65,388	\$105,700	\$105,700	15.15%
6	Forefront Holdings, Inc.	FOFH	OTC	\$24,192	\$30,962	\$55,154	\$35,000	\$40,000	80.91%
7	Spring Creek, LLC and Related Companies			\$19,736	\$21,842	\$41,578	\$30,000	\$40,000	50.00%
8	Health Systems Solutions, Inc.	HSSO	OTC		\$27,008	\$27,008	\$51,000	\$60,000	60.75%
9	DGSE Companies, Inc.	DGC	AMEX	\$8,850	\$15,894	\$24,744	\$64,000	\$64,000	28.69%
10	USFR Media Group			\$20,250	\$4,222	\$24,472	\$26,000	\$30,000	32.04%
11	The Ultimate Gift Experience			\$14,630		\$14,630	\$10,000	\$10,000	36.13%
12	Phoenix Bay, Inc.			\$13,630		\$13,630	\$12,000	\$18,000	14.84%
13	HiSense Broadband Multimedia				\$9,218	\$9,218	\$40,000	\$69,000	40.69%
14	Golden Financial Services			\$2,600	\$6,030	\$8,630	\$8,600	\$8,600	23.39%
15	Senesco Technologies, Inc.	SNT	AMEX	\$5,000	\$3,085	\$8,085	\$31,000	\$31,000	39.00%
16	Caribbean Leisure Marketing, LTD			\$6,813	\$1,000	\$7,813	\$2,200	\$2,200	29.50%
17	State Petroleum				\$7,000	\$7,000	\$46,000	\$46,000	10.67%
18	Lumilex Corporation				\$6,416	\$6,416	\$2,790	\$2,790	24.62%
19	DeclarAdvance, Inc.	DLAV	OTC	\$875	\$5,352	\$6,227	\$5,000	\$5,000	4.31%
20	Reignmaker Communications			\$2,790	\$3,280	\$6,070	\$3,800	\$3,800	73.02%
21	Greystone Pharmaceuticals, Inc.			\$5,890	\$890	\$6,780	\$3,800	\$3,800	43.04%
22	OnAurique, Inc.			\$3,107	\$2,125	\$5,232	\$26,400	\$26,400	5.22%
23	Tree Top Kids, Inc.			\$4,000	\$4,000	\$4,000	\$7,200	\$7,200	7.91%
24	KineMed Inc.				\$3,784	\$3,784	\$2,500	\$2,500	45.22%
25	Cognigen Networks, Inc.	CGNW	OTC		\$2,577	\$2,577	\$1,450	\$1,450	11.63%
26	Third Miracle			\$1,450	\$1,000	\$2,450	\$1,600	\$1,600	50.00%
27	Proasect Building Materials, Inc.			\$650	\$1,233	\$1,883	\$800	\$800	50.00%
28	WireSpec Corporation			\$150	\$1,573	\$1,723	\$500	\$500	25.00%
29	Beverly Sassoon & Co.			\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	50.00%
30	Running the Sahara			\$5	\$5	\$5	\$500	\$500	25.00%
31	Majestic			\$1,318	\$1,318	\$1,318	\$1,318	\$1,318	71.83%
32	The 1st				\$500	\$500	\$1,300	\$1,300	5.00%
33	Midway CC Hotel Partners			\$15,300	\$15,300	\$15,300	\$6,400	\$6,400	20.00%
34	Mountain Partners			\$7,383	\$6,000	\$13,383	\$7,161	\$7,161	4.00%
35	Catalyst Investments II			\$5,878	\$4,774	\$10,652	\$4,000	\$4,000	6.70%
36	Washington Nationals			\$4,774	\$3,350	\$8,124	\$8,265	\$8,265	10.75%
37	ACON Project Mifingo			\$3,350	\$5,510	\$8,860	\$3,800	\$3,800	10.00%
38	Louisiana Ventures			\$5,510	\$3,800	\$9,310	\$3,879	\$3,879	10.75%
39	ACON Barton Partners II			\$3,800	\$2,586	\$6,386	\$7,500	\$7,500	9.30%
40	AquaAgro			\$2,586	\$2,100	\$4,686	\$2,200	\$2,200	<5.0%
41	ACON Barton Partners I			\$2,100	\$2,285	\$4,385	\$150	\$150	0.33%
42	Memphis Bio-Med Venture II			\$150	\$150	\$150	\$150	\$150	0.33%
43	Panorama				\$350	\$350	\$350	\$350	0.33%
44	Darex				\$150	\$150	\$150	\$150	0.33%
45	Infinity Israel-China Fund Partners				\$150	\$150	\$150	\$150	0.33%
TOTAL					\$150,582	\$150,582	\$1,300	\$1,300	71.83%

STANFORD

EXHIBIT KVT-NWD-3

August 4, 2015 Declaration of Karyl Van Tassel

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**RALPH S. JANVEY, IN HIS CAPACITY AS
COURT-APPOINTED RECEIVER FOR THE
STANFORD INTERNATIONAL BANK, LTD.,
ET AL.**

Plaintiff,

V.

JAMES R. ALGUIRE, ET AL.

Defendants.

DECLARATION OF KARYL VAN TASSEL

I, Karyl Van Tassel of 1001 Fannin, Suite 1400, Houston, TX 77002 state on oath as follows:

EXPERIENCE, EXPERTISE, WORK IN THIS CASE

1. A copy of my resume is attached to Doc. 18 as exhibit **KVT-1**. It summarizes my education and relevant work experience. As it states, I am a Certified Public Accountant in the State of Texas, USA, and a Senior Managing Director of FTI Consulting, Inc. I have 24 years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services. I have performed detailed financial analyses for a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. In the litigation context, I have acted as an expert on a variety of economic damage claims and forensic accounting issues. In several cases alleging fraud and other wrongdoing, I have traced funds for potential recovery. I have

also been retained by audit committees to assist in investigating allegations of accounting and financial improprieties.

2. The statements made in this declaration are true and correct based on the knowledge I have gained from the many documents I have reviewed and other work I and my team have performed in the course of FTI's investigation on behalf of the Receiver.

3. Based on FTI's analysis and review of the accounting and payroll records of the Stanford entities, as well as the bank records from the Stanford-controlled bank accounts, the former Stanford employees named in **Exhibit A** received loans, SIBL quarterly bonuses, Performance Appreciation Rights ("PARS" or "PAR") payments, SIBL CD commissions, branch managing director quarterly compensation, and severance payments in the amounts reflected in **Exhibit A**.

4. Based on FTI's analysis and review of the accounting and payroll records of the Stanford entities, as well as bank records from Stanford-controlled bank accounts, the former Stanford employees named in **Exhibit B** received purported SIBL CD principal and interest payments in the amounts reflected in **Exhibit B**.

Executed this 26 day of March 2010.


Karyl Van Tassel

EXHIBIT A

to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s) \$	SIBL CD Commissions \$	SIBL Quarterly Bonuses \$	PARS Payments \$	Branch Managing Director Quarterly Compensation \$	Severance Payments \$	Total CD Proceeds \$
1	Jeffrey E. Adams	-	-	-	-	-	50,000	50,000
2	Paul Adkins	510,000	322	-	-	-	-	510,322
3	Jeannette Aguilar	-	77,751	77,390	-	-	-	155,141
4	James R. Alguire	764,610	273,669	223,119	-	-	-	1,261,398
5	Peggy Allen	-	1,566	99,716	-	-	-	101,282
6	Orlando Amaya	-	1,380,836	68,396	-	-	-	1,449,232
7	Victoria Ancil	-	519,408	-	-	-	-	519,408
8	Tiffany Angelle	-	742,524	-	-	-	-	742,524
9	Susana Anguiano	-	429,825	92,255	-	-	-	522,080
10	James F. Anthony	-	-	-	-	-	80,000	80,000
11	Sylvia Aquino	-	2,124,534	310,497	-	-	-	2,435,031
12	Juan Araujo	-	-	305,754	-	-	-	305,754
13	Monica Ardesi	-	-	293,619	-	-	-	293,619
14	George Arnold	-	190,601	82,133	-	-	-	272,734
15	John Michael Arthur	417,564	63,773	39,051	-	-	-	520,388
16	Patricio Atkinson	-	-	-	-	-	300,000	300,000
17	Mauricio Aviles	-	-	148,933	-	-	-	148,933
18	Donald Bahrenburg	92,969	16,874	-	-	-	-	109,843
19	Brown Baine	274,808	67,808	-	-	-	-	342,616
20	Timothy Bambauer	930,000	83,351	130,041	-	-	-	1,143,392
21	Isaac Bar	-	-	94,780	-	-	-	94,780
22	Elias Barbar	-	3,665,691	308,566	-	-	-	3,974,257
23	Stephen R. Barber	160,000	-	-	-	-	-	160,000
24	Jonathan Barrack	154,577	384,415	36,808	-	-	-	575,800
25	Robert Barrett	-	26,682	31,360	-	-	-	58,042
26	Jane E. Bates	-	-	-	-	-	102,083	102,083
27	Timothy W. Baughman	-	-	-	-	-	157,500	157,500
28	Marie Bautista	-	679,283	-	-	-	-	679,283
29	Oswaldo Bencomo	-	-	600,168	-	-	-	600,168
30	Teral Bennett	43,910	478,186	38,341	-	-	-	560,437
31	Lori Bensing	-	-	-	-	485,122	-	485,122
32	Andrea Berger	440,152	312,519	41,494	-	-	-	794,165
33	Marc H. Bettinger	-	-	-	-	-	113,333	113,333
34	Norman Blake	991,215	247,432	123,478	-	-	-	1,362,125
35	Stephen G. Blumenreich	856,053	-	-	-	-	-	856,053
36	Michael Bober	1,133,169	80,344	93,601	-	-	-	1,307,114

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
37	Nigel Bowman	520,936	202,005	199,216	-	-	-	922,157
38	Brad Bradham	200,000	15,695	-	-	119,309	-	335,004
39	Fabio Bramanti	-	-	239,010	-	-	-	239,010
40	Fernando Braojos	-	-	93,001	-	-	-	93,001
41	Alexandre Braune	-	245,363	-	-	-	-	245,363
42	Charles Brickey	264,109	213,098	175,034	-	-	-	652,241
43	Alan Brookshire	599,129	-	-	-	-	-	599,129
44	Nancy Brownlee	95,793	259,352	-	-	-	-	355,145
45	Richard Bucher	80,701	-	-	-	-	-	80,701
46	George Cairnes	290,000	-	-	-	-	-	290,000
47	Fausto Callava	-	450,160	153,131	-	-	-	603,291
48	Robert Bryan Cannon	80,000	-	-	-	-	-	80,000
49	Frank Carpin	503,500	-	-	-	-	-	503,500
50	Rafael Carriles	-	-	100,020	-	-	-	100,020
51	Scott Chaisson	-	29,480	-	-	215,625	-	245,105
52	James C. Chandley	800,117	-	-	-	-	-	800,117
53	Naveen Chaudhary	50,000	-	-	-	-	-	50,000
54	Jane Chernovetzky	-	-	140,748	-	-	-	140,748
55	Susana Cisneros	12,390	384,838	86,436	-	-	-	483,664
56	Ron Clayton	1,151,598	439,462	193,644	-	-	-	1,784,704
57	Neal Clement	639,506	270,347	163,882	-	-	-	1,073,735
58	Christopher Collier	656,519	90,234	64,708	-	-	-	811,461
59	Jay Comeaux	289,010	1,133,187	62,584	-	2,191,204	-	3,675,985
60	Michael Conrad	1,146,000	63,627	81,500	-	-	-	1,291,127
61	Michael Contorno	-	-	-	-	-	165,000	165,000
62	Bernard Cools-Lartigue	-	-	-	-	-	72,419	72,419
63	Don Cooper	-	27,404	33,357	-	-	-	60,761
64	Jose Cordero	-	178,360	202,816	-	-	-	381,176
65	Oscar Correa	-	-	607,041	-	-	-	607,041
66	James Cox	989,429	28,167	31,650	-	-	-	1,049,246
67	John Cravens	253,081	114,343	121,500	-	-	-	488,924
68	Ken Crimmins	296,000	305	-	-	-	-	296,305
69	Shawn M. Cross	1,290,394	-	-	-	-	-	1,290,394
70	James Cross	-	-	77,063	-	-	-	77,063
71	Patrick Cruickshank	1,712,500	727,477	483,770	-	-	-	2,923,747
72	Greg R Day	1,004,619	-	-	-	-	-	1,004,619

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
73	William S. Decker	1,700,000	-	-	-	-	-	1,700,000
74	Michael DeGoler	751,126	351	-	-	-	-	751,477
75	Andres Delgado	-	-	439,162	-	-	-	439,162
76	Pedro Delgado	-	-	82,083	-	-	-	82,083
77	Ray Deragon	817,047	175,400	159,297	-	-	-	1,151,744
78	Arturo R. Diaz	469,556	453,829	265,134	-	-	-	1,188,519
79	Ana Dongilio	-	-	85,632	-	-	-	85,632
80	Matthew Drews	224,989	426,190	92,990	-	-	-	744,169
81	Carter W. Driscoll	-	-	-	-	-	87,500	87,500
82	Abraham Dubrovsky	-	267,245	56,549	-	-	-	323,794
83	Torben Garde Due	-	-	344,492	-	-	-	344,492
84	Sean Duffy	455,721	-	-	-	-	-	455,721
85	Christopher Shannon Elliotte	50,000	-	-	-	-	-	50,000
86	Neil Emery	-	-	206,598	-	-	-	206,598
87	Thomas Espy	-	3,022,244	932,105	-	-	-	3,954,349
88	Jordan Estra	-	-	-	-	-	58,333	58,333
89	Jason Fair	20,000	211,842	36,173	-	-	-	268,015
90	Nolan Farhy	191,475	36,803	-	-	-	-	228,278
91	Evan Farrell	720,000	108,560	-	-	-	-	828,560
92	Marina Feldman	-	-	78,033	-	-	-	78,033
93	Ignacio Felice	-	-	86,707	-	-	-	86,707
94	Bianca Fernandez	50,000	-	-	-	-	-	50,000
95	Freddy Fiorillo	-	-	311,414	-	-	-	311,414
96	Lori J. Fischer	-	-	-	-	-	70,000	70,000
97	Rosalia Fontanals	-	128,087	135,623	-	-	-	263,710
98	James Fontenot	-	583,392	116,986	-	-	-	700,378
99	Juliana Franco	-	-	-	-	-	61,250	61,250
100	John Fry	91,295	55,340	20,970	-	-	-	167,605
101	Roger Fuller	747,380	26,961	31,286	-	-	-	805,627
102	Atlee Gaal	12,500	362,796	20,036	-	-	-	395,332
103	Miguel A. Garces	-	51,995	-	-	-	-	51,995
104	Gustavo A. Garcia	-	-	-	-	-	247,500	247,500
105	David Braxton Gay	738,213	-	-	-	-	-	738,213
106	Gregg Gelber	-	201,687	73,007	-	-	-	274,694
107	Mark Gensch	110,000	-	-	-	-	-	110,000
108	Gregory C. Gibson	1,275,425	-	-	-	-	-	1,275,425

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
109	Michael D. Gifford	120,000	-	-	-	-	-	120,000
110	Eric Gildhorn	-	-	208,790	-	-	-	208,790
111	Luis Giusti	-	-	261,061	-	-	-	261,061
112	Steven Glasgow	722,000	-	-	-	-	-	722,000
113	John Glennon	403,900	3,436	-	-	1,706	-	409,042
114	Susan Glynn	50,000	-	-	-	-	-	50,000
115	Larry Goldsmith	473,704	20,458	-	-	-	-	494,162
116	Ramiro Gomez-Rincon	-	-	272,563	-	-	-	272,563
117	Joaquin Gonzalez	-	439,450	49,977	-	-	-	489,427
118	Juan Carlos Gonzalez	-	-	51,299	-	-	-	51,299
119	Russell Warden Good	671,000	100	-	-	-	-	671,100
120	John Grear	481,541	-	-	-	-	-	481,541
121	Jason Green	-	554,929	38,648	-	2,019,929	-	2,613,506
122	Stephen Greenhaw	572,164	-	-	-	-	-	572,164
123	Mark Groesbeck	-	1,244,357	126,839	-	-	-	1,371,196
124	Billy Ray Gross	100,000	-	-	-	-	-	100,000
125	Vivian Guarch	-	120,653	70,143	-	-	-	190,796
126	Donna Guerrero	85,000	-	-	-	-	-	85,000
127	John Gutfranski	60,000	-	-	-	-	-	60,000
128	Rodney Hadfield	113,431	-	-	-	-	-	113,431
129	Gary Haindel	113,058	444,484	22,674	-	-	-	580,216
130	Jon Hanna	-	66,670	-	-	-	-	66,670
131	Dirk Harris	-	186,298	-	-	-	-	186,298
132	Virgil Harris	-	155,828	123,256	1,750,506	-	-	2,029,590
133	Kelley L. Hawkins	-	-	-	-	-	66,667	66,667
134	Charles Hazlett	100,000	-	-	-	-	-	100,000
135	Roberto T. Helguera	-	-	-	-	-	90,000	90,000
136	Luis Hermosa	-	-	64,817	-	-	-	64,817
137	Daniel Hernandez	-	437,577	188,052	-	-	-	625,629
138	Martine Hernandez	-	-	145,490	-	-	-	145,490
139	Patrica Herr	-	633,582	-	-	-	-	633,582
140	Alfredo Herrera	-	-	59,764	-	-	-	59,764
141	Helena M. Herrero	-	-	-	-	-	171,875	171,875
142	Steven Hoffman	-	114,439	-	-	-	-	114,439
143	Robert Hogue	820,125	2,129	-	-	-	-	822,254
144	John Holliday	597,503	33,358	-	-	-	-	630,861

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
145	Nancy J. Huggins	-	-	-	-	-	50,000	50,000
146	Charles Hughes	44,274	424,806	-	-	-	-	469,080
147	Wiley Hutchins, Jr.	573,033	-	-	-	-	-	573,033
148	David Innes	376,500	-	-	-	-	-	376,500
149	Marcos Iurriza	-	-	162,940	-	-	-	162,940
150	Charles Jantzi	-	311,229	41,908	-	-	-	353,137
151	Allen Johnson	1,502,757	50,663	63,090	-	-	-	1,616,510
152	Susan K. Jurica	-	-	-	-	-	50,000	50,000
153	Marty Karvelis	-	-	-	-	544,240	37,500	581,740
154	Faran Kassam	-	-	273,849	-	-	-	273,849
155	Joseph L. Klingen	-	8,433	-	-	-	75,000	83,433
156	Robert A. Kramer	-	-	-	-	-	250,000	250,000
157	David Wayne Krumrey	507,434	-	-	-	-	-	507,434
158	Bruce Lang	253,644	-	-	-	-	-	304,889
159	Grady Layfield	20,000	1,037,958	234,111	-	646,917	-	1,938,986
160	James LeBaron	220,923	290,263	121,061	-	-	-	632,247
161	Jason LeBlanc	-	169,714	46,825	-	-	-	216,539
162	William Leighton	150,000	65,513	71,416	-	-	-	286,929
163	Mayra C. Leon De Carrero	-	-	-	-	-	185,625	185,625
164	Robert Lenoir	645,822	158,026	85,001	-	-	-	888,849
165	Humberto Lepage	-	-	328,473	-	-	-	328,473
166	Francois Lessard	-	-	53,597	-	-	-	53,597
167	James C. Li	-	-	-	-	-	66,667	66,667
168	Gary Lieberman	100,000	-	-	-	-	-	100,000
169	Jason Likens	300,856	-	-	-	-	-	300,856
170	Trevor Ling	899,474	1,095,371	438,957	-	-	-	2,433,802
171	Christopher Long	215,000	128	-	-	-	-	215,128
172	Robert Long, Jr.	600,000	-	-	-	-	-	600,000
173	Humberto Lopez	412,500	233,333	33,687	-	-	-	679,520
174	Luis Felipe Lozano	-	-	66,403	-	-	-	66,403
175	David Lundquist	100,000	-	-	-	-	-	100,000
176	Michael MacDonald	243,963	1,781	-	-	-	-	245,744
177	Anthony Makransky	105,317	1,822	-	-	-	-	107,139
178	Megan R. Malanga	-	-	-	-	-	50,000	50,000
179	Manuel Malvaez	-	1,121,877	-	-	-	-	1,121,877
180	Maria Manerba	-	1,017,573	30,165	-	-	-	1,047,738

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
181	Michael Mansur	331,770	230,013	122,188	-	-	-	683,971
182	Iris Marcovich	-	-	81,309	-	-	-	81,309
183	Janie Martinez	-	1,263,652	123,165	-	-	-	1,386,817
184	Claudia Martinez	-	784,705	404,216	-	-	-	1,188,921
185	Aymeric Martinioia	-	61,003	-	-	-	-	61,003
186	Bert Deems May, Jr.	465,000	-	-	-	-	-	465,000
187	Carol McCann	375,000	-	-	-	66,925	-	441,925
188	Francesca McCann	-	-	-	-	-	75,000	75,000
189	Douglas McDaniel	1,314,168	134,767	84,358	-	-	-	1,533,293
190	Matthew McDaniel	422,686	103,881	68,869	-	-	-	595,436
191	Pam McGowan	-	90,629	-	-	-	-	90,629
192	Gerardo Meave-Flores	-	532,368	155,839	-	-	-	688,207
193	Lawrence Messina	1,181,689	230,013	122,188	-	-	-	1,533,890
194	Nolan N. Metzger	826,165	-	-	-	-	-	826,165
195	William J. Metzinger	1,232,000	-	-	-	-	-	1,232,000
196	Donald Miller	253,634	277,129	77,007	-	-	-	607,770
197	Trenton Miller	2,217,854	381,912	189,684	-	-	-	2,789,450
198	Hank Mills	-	2,054,793	1,002,275	-	-	-	3,057,068
199	Brent B. Milner	3,500,000	-	-	-	-	-	3,500,000
200	Peter Montalbano	720,000	110,958	123,630	-	-	-	954,588
201	Alberto Montero	-	-	88,688	-	-	-	88,688
202	Rolando H. Mora	-	78,236	-	-	-	-	78,236
203	David Morgan	425,000	153,381	117,828	-	-	-	696,209
204	Shawn Morgan	331,715	93,890	-	-	-	-	425,605
205	Jonathan Mote	1,024,759	-	-	-	-	-	1,024,759
206	Carroll Mullis	1,056,815	-	-	-	-	-	1,056,815
207	Spencer Murchison	441,521	203,170	24,270	-	-	-	668,961
208	David Nanes	-	1,008,703	617,719	-	-	-	1,626,422
209	Jon Nee	500,000	116,980	67,800	-	-	-	684,780
210	Aaron Nelson	384,000	629	-	-	-	-	384,629
211	Gail Nelson	-	-	-	-	-	75,000	75,000
212	Russell C. Newton, Jr.	-	3,405	-	-	-	54,000	57,405
213	Norbert Nieuw	-	78,702	-	-	-	-	78,702
214	Lupe Northam	-	1,548,839	164,589	-	-	-	1,713,428
215	Scott Notowich	438,859	938,813	377,441	-	230,146	-	1,985,259
216	Monica Novitsky	12,500	362,796	20,036	-	-	-	395,332

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
217	Kale Olson	168,014	-	-	-	-	-	168,014
218	John D. Orcutt	834,157	-	-	-	-	-	834,157
219	Walter Orejuela	-	-	175,355	-	-	-	175,355
220	Alfonso Ortega	-	-	346,757	-	-	-	346,757
221	Zack Parrish	100,000	-	-	146,202	-	1,225,000	1,471,202
222	Tim Parsons	60,000	483,659	20,508	-	-	-	564,167
223	William Peerman	713,625	9,649	-	-	-	-	723,274
224	Beatriz Pena	-	-	86,671	-	-	-	86,671
225	Ernesto Pena	-	-	193,260	-	-	-	193,260
226	Roberto Pena	-	331,261	307,555	-	-	-	638,816
227	Roberto A. Pena	-	410,535	188,052	-	-	-	598,587
228	Dulce Pereznora	-	170,889	-	-	-	-	170,889
229	Saraminta Perez	-	576,392	20,241	-	-	-	596,633
230	Tony Perez	-	4,153,297	-	-	-	-	4,153,297
231	James D. Perry	-	-	-	-	-	100,000	100,000
232	Lou Perry	225,980	51,454	20,970	-	-	-	298,405
233	Brandon R. Phillips	70,000	-	-	-	-	-	70,000
234	Randall Pickett	1,283,962	93,033	100,555	-	-	-	1,477,550
235	Eduardo Picon	-	-	89,515	-	-	-	89,515
236	Edward Prieto	-	118,181	-	-	-	-	118,181
237	Christopher Prindle	720,000	108,513	-	-	-	-	828,513
238	A. Steven Pritsios	510,000	322	-	-	-	-	510,322
239	Arturo Prum	-	-	304,987	-	-	-	304,987
240	Maria Putz	-	-	87,912	-	-	-	87,912
241	Judith Quinones	-	528,072	-	-	-	-	528,072
242	Sumeet Rai	-	188,162	102,095	-	-	-	290,257
243	Michael Ralby	900,165	203,406	93,007	-	-	-	1,196,578
244	Leonor Ramirez	-	1,870,064	145,920	-	-	-	2,015,984
245	Nelson Ramirez	-	577,353	55,981	-	-	140,327	773,661
246	David Rappaport	98,500	-	-	-	-	-	98,500
247	Charles Rawl	707,281	25,665	-	-	-	-	732,946
248	Syed H. Razvi	-	-	-	-	-	62,500	62,500
249	Kathleen M. Reed	-	-	-	-	-	141,667	141,667
250	Steven Restifo	357,984	2,763	-	-	-	-	360,747
251	Walter Ricardo	1,150,000	398,167	211,174	-	-	-	1,759,341
252	Giampiero Riccio	-	-	-	-	-	206,250	206,250

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
253	Jeffrey Ricks	692,904	351	-	-	-	-	693,255
254	Juan C. Riera	-	-	-	-	-	180,000	180,000
255	Alan Riffle	607,950	158,815	128,706	-	-	-	895,471
256	Randolph E. Robertson	370,958	-	-	-	-	-	370,958
257	Steve Robinson	2,995,526	381,912	189,684	-	-	-	3,567,122
258	Timothy D. Rogers	1,275,425	-	-	-	-	-	1,275,425
259	Eddie Rollins	232,034	36,146	20,000	-	-	-	288,180
260	Peter R. Ross	-	-	-	-	-	133,333	133,333
261	Rocky Roys	-	2,259,210	-	-	-	-	2,259,210
262	Thomas G. Rudkin	-	-	-	-	-	100,000	100,000
263	Julio Ruelas	-	-	59,615	-	-	-	59,615
264	Nicholas P. Salas	-	-	-	-	-	85,002	85,002
265	Tatiana Saldivia	-	-	70,608	-	-	-	70,608
266	John Santi	632,445	23,268	47,343	-	-	600,000	1,303,056
267	Christopher K. Schaefer	114,250	-	-	713,755	-	-	114,250
268	Louis Schaufele	-	203,143	123,256	-	-	-	1,040,154
269	John Schwab	-	1,428,940	502,995	-	-	-	1,931,935
270	Harvey Schwartz	561,214	32,948	-	-	-	-	594,162
271	William Scott	460,000	322	-	-	-	-	460,322
272	Haygood Seawell	1,102,000	1,926	-	-	-	-	1,103,926
273	Leonard Seawell	384,000	629	-	-	-	-	384,629
274	Morris Serrero	-	-	112,475	-	-	-	112,475
275	Doug Shaw	847,395	1,611,705	678,476	-	-	-	3,137,576
276	Nick Sherrod	302,430	-	-	-	-	-	302,430
277	Jon C. Shipman	-	-	-	-	-	67,500	67,500
278	Jordan Sibling	50,000	-	-	-	-	-	50,000
279	Rochelle Sidney	-	-	259,325	-	-	-	259,325
280	Brent Simmons	156,938	45,366	-	-	-	-	202,304
281	Edward Simmons	219,047	-	-	-	-	-	219,047
282	Peter Siragna	-	-	1,901,338	-	-	-	1,901,338
283	Steve Slewitzke	250,000	336,543	193,267	-	-	-	779,810
284	Nancy Soto	-	-	585,808	-	-	-	585,808
285	Paul Stanley	-	66,843	-	-	-	-	66,843
286	Sanford Steinberg	584,729	3,207	21,063	-	-	-	608,999
287	Heath Stephens	198,808	46,534	28,496	-	-	-	273,838
288	William O. Stone Jr.	820,657	57,953	20,000	-	-	-	898,610

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
289	David M. Stubbs	1,095,350	-	-	-	-	-	1,095,350
290	Mark V. Stys	200,000	-	-	328,417	-	1,060,000	1,588,417
291	Timothy W. Summers	-	-	-	-	-	165,083	165,083
292	Paula S. Sutton	1,000,000	-	-	-	-	-	1,000,000
293	William Brent Sutton	50,000	-	-	-	-	-	50,000
294	Ana Tanur	-	-	95,725	-	-	-	95,725
295	Juan Carlos Terrazas	-	-	96,755	-	-	-	96,755
296	Scot Thigpen	401,758	-	-	-	-	-	401,758
297	Christopher Thomas	259,623	64,116	46,471	-	-	-	370,210
298	Mark Tidwell	436,037	508,972	108,438	-	-	-	1,053,447
299	Yliana Torrealba	-	-	283,174	-	-	-	283,174
300	Jose Torres	162,778	185,403	75,073	-	-	-	423,254
301	Al Trullenque	289,010	1,126,027	62,584	-	1,014,842	-	2,492,463
302	Audrey Truman	187,500	146,321	125,853	-	-	-	459,674
303	Roberto Ulloa	-	3,585,168	987,973	-	-	-	4,573,141
304	Eric Urena	312,500	164,845	33,687	-	-	-	511,032
305	Miguel Valdez	284,250	283,665	167,225	-	-	-	735,140
306	Nicolas Valera	-	-	404,294	-	-	-	404,294
307	Tim Vanderver	980,000	510,819	208,168	-	-	-	1,698,987
308	Jaime Vargas	-	188,569	-	-	-	-	188,569
309	Pete Vargas	-	1,606,461	34,862	-	-	-	1,641,323
310	Ettore Ventrice	1,134,703	80,344	93,601	-	-	-	1,308,648
311	Mario Vieira	-	-	118,331	-	-	-	118,331
312	Evely Villalon	-	-	126,106	-	-	-	126,106
313	Maria Villanueva	-	3,764,370	281,814	-	-	-	4,046,184
314	Chris Villemarette	60,000	-	-	-	-	-	60,000
315	Frans Vingerhoedt	-	-	220,657	-	-	-	220,657
316	Daniel Vitrian	-	-	83,277	-	-	-	83,277
317	Charles Vollmer	1,498,538	522,580	165,930	-	-	-	2,187,048
318	James Weller	75,000	-	-	-	-	-	75,000
319	Bill Whitaker	857,350	118,783	51,250	-	-	-	1,027,383
320	Donald Whitley	267,000	-	-	-	-	-	267,000
321	David Whittemore	-	205,059	73,789	-	-	-	278,848
322	Charles Widener	237,500	107,976	57,859	-	-	-	403,335
323	John Whitfield Wilks	500,000	-	-	-	-	-	500,000
324	Thomas Woolsey	350,000	434	-	-	-	-	350,434

Exhibit A to Van Tassel Declaration

Former Stanford Employees

ID	Name	Loan(s)	SIBL CD Commissions	SIBL Quarterly Bonuses	PARS Payments	Branch Managing Director Quarterly Compensation	Severance Payments	Total CD Proceeds
325	Michael Word	194,681	2,017,698	352,333	-	-	-	2,564,712
326	Ryan Wrobleke	986,859	70,562	47,608	-	-	-	1,105,029
327	Ihab Yassine	-	-	50,268	-	-	-	50,268
328	Bernerd E. Young	75,000	-	-	-	-	-	75,000
329	Leon Zaidner	-	-	552,740	-	-	-	552,740
				Total CD Proceeds				\$ 215,406,017

EXHIBIT B

to Van Tassel Declaration

ID¹	Name	Total Proceeds from Former Stanford Employee's CD(s)	Proceeds from Former Stanford Employee's CD(s) Received in Excess of Investments
13	Monica Ardesi	\$ 3,294,765.72	
17	Mauricio Aviles	\$ 35,998.48	
21	Isaac Bar	\$ 50,000.00	
26	Jane E. Bates	\$ 367,733.64	
29	Oswaldo Bencomo	\$ 548,894.32	
32	Andrea Berger	\$ 106,167.85	
36	Michael Bober	\$ 394,254.02	\$ 28,511.02
38	Brad Bradham	\$ 25,000.00	
39	Fabio Bramanti	\$ 564,212.37	
40	Fernando Braojos	\$ 89,847.91	
50	Rafael Carriles	\$ 41,416.06	
54	Jane Chernovetzky	\$ 223,641.91	
57	Neal Clement	\$ 345,515.03	\$ 10,515.03
62	Bernard Cools-Lartigue	\$ 41,198.14	\$ 7,166.06
70	James Cross	\$ 469,313.55	
71	Patrick Cruickshank	\$ 150,000.00	
75	Andres Delgado	\$ 503,289.95	
76	Pedro Delgado	\$ 95,105.37	
78	Arturo R. Diaz	\$ 294,708.05	\$ 44,708.05
79	Ana Dongilio ²	\$ 1,863,888.32	\$ 28,301.09
80	Matthew Drews	\$ 199,882.02	\$ 49,882.02
83	Torben Garde Due	\$ 1,279,921.02	\$ 6,150.03
86	Neil Emery	\$ 884,273.12	
92	Marina Feldman	\$ 28,565.60	
93	Ignacio Felice ²	\$ 1,863,888.32	\$ 28,301.09
95	Freddy Fiorillo	\$ 2,071,774.44	
97	Rosalia Fontanals	\$ 177,335.29	
98	James Fontenot	\$ 513,559.68	
109	Michael D. Gifford	\$ 41,000.00	
110	Eric Gildhorn	\$ 240,279.40	
111	Luis Giusti	\$ 2,188,554.27	
115	Larry Goldsmith	\$ 192,381.46	
116	Ramiro Gomez-Rincon	\$ 28,212.20	
118	Juan Carlos Gonzalez	\$ 86,188.25	
125	Vivian Guarch	\$ 10,719.01	
132	Virgil Harris	\$ 1,091,487.71	\$ 71,361.06
136	Luis Hermosa	\$ 1,370,918.82	
137	Daniel Hernandez	\$ 480,600.51	\$ 50,600.51
138	Martine Hernandez	\$ 468,818.18	
139	Patrica Herr	\$ 159,018.54	
140	Alfredo Herraes	\$ 628,918.45	\$ 1,201.55
144	John Holliday	\$ 58,614.09	
149	Marcos Iturriza	\$ 374,227.65	
154	Faran Kassam	\$ 1,274,740.96	
155	Joseph L. Klingen	\$ 60,435.36	\$ 10,435.36
163	Mayra C. Leon De Carrero	\$ 10,215.87	
164	Robert Lenoir	\$ 34,515.06	

ID¹	Name	Total Proceeds from Former Stanford Employee's CD(s)	Proceeds from Former Stanford Employee's CD(s) Received in Excess of Investments
165	Humberto Lepage	\$ 3,133,671.45	\$ 46,746.09
170	Trevor Ling	\$ 1,583,893.44	
173	Humberto Lopez	\$ 575,600.81	
174	Luis Felipe Lozano	\$ 72,011.26	\$ 10,214.89
176	Michael MacDonald	\$ 86,601.43	\$ 6,601.43
180	Maria Manerba	\$ 85,145.39	
182	Iris Marcovich	\$ 209,923.91	\$ 87,990.23
185	Aymeric Martinoia	\$ 105,238.33	
193	Lawrence Messina	\$ 70,691.61	
197	Trenton Miller	\$ 219,982.03	
198	Hank Mills	\$ 354,431.68	
200	Peter Montalbano	\$ 542,117.58	\$ 42,117.58
201	Alberto Montero	\$ 366,079.00	
203	David Morgan	\$ 226,291.99	
209	Jon Nee	\$ 148,025.72	
213	Norbert Nieuw	\$ 89,212.30	
220	Alfonso Ortega	\$ 1,361,926.63	
225	Ernesto Pena	\$ 677,881.00	
227	Roberto A. Pena	\$ 100,000.00	
229	Saraminta Perez	\$ 9,904.96	
234	Randall Pickett	\$ 266,097.36	\$ 16,097.36
235	Eduardo Picon	\$ 124,938.41	
236	Edward Prieto	\$ 11,300.00	
240	Maria Putz	\$ 10,000.00	
244	Leonor Ramirez	\$ 151,067.74	
245	Nelson Ramirez	\$ 14,545.43	\$ 4,545.43
252	Giampiero Riccio	\$ 50,000.00	
254	Juan C. Riera	\$ 61,012.73	
263	Julio Ruelas	\$ 21,181.81	
265	Tatiana Saldivia	\$ 105,072.37	
266	John Santi	\$ 799,037.85	\$ 28,797.34
268	Louis Schaufele	\$ 386,826.18	
281	Edward Simmons	\$ 3,357.26	
282	Peter Siragna	\$ 2,394,622.67	\$ 116,050.56
284	Nancy Soto	\$ 1,130,488.20	
286	Sanford Steinberg	\$ 171,534.05	\$ 21,534.05
288	William O. Stone Jr.	\$ 100,000.00	
294	Ana Tanur	\$ 406,936.31	
298	Mark Tidwell	\$ 527,048.26	\$ 61,507.19
299	Yliana Torrealba	\$ 26,238.11	
303	Roberto Ulloa	\$ 267,552.52	
305	Miguel Valdez	\$ 464,687.78	
306	Nicolas Valera	\$ 313,863.62	
310	Ettore Ventrice	\$ 440,953.53	\$ 31,569.53
311	Mario Vieira	\$ 23,615.15	
312	Evely Villalon	\$ 1,187,053.63	
313	Maria Villanueva	\$ 1,826,422.86	\$ 248,718.58
315	Frans Vingerhoedt	\$ 1,685,058.95	

ID¹	Name	Total Proceeds from Former Stanford Employee's CD(s)	Proceeds from Former Stanford Employee's CD(s) Received in Excess of Investments
316	Daniel Vitrian	\$ 606,180.98	
321	David Whittemore	\$ 285,783.43	\$ 35,783.43
327	Ihab Yassine	\$ 643,267.59	
329	Leon Zaidner	\$ 2,003,561.64	

Notes:

1. "ID" corresponds to the ID number listed in Appendix in Support of the Receiver's Second Amended Complaint Against Former Stanford Employees (Doc. 157).
2. Ana Dongilio's and Ignacio Felice's names are listed on the same SIBL account. As a result, their "Total Proceeds from Former Stanford Employee's CD(s)" and "Proceeds from Former Stanford Employee's CD(s) Received in Excess of Investments" amounts are included twice: once for Dongilio, and once for Felice.

EXHIBIT KVT-NWD-4

August 4, 2015 Declaration of Karyl Van Tassel

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

RALPH S. JANVEY, IN HIS CAPACITY AS COURT- §
APPOINTED RECEIVER FOR THE STANFORD §
INTERNATIONAL BANK, LTD., §
ET AL. §

Plaintiff, §

v. §

JAMES R. ALGUIRE, ET AL. §

Defendants. §

Case No. 03:09-CV-0724-N

**DECLARATION OF
KARYL VAN TASSEL**

I, Karyl Van Tassel of 1001 Fannin, Suite 1400, Houston, TX 77002 state on oath as follows:

EXPERIENCE, EXPERTISE, WORK IN THIS CASE

1. A copy of my resume is attached as exhibit **KVT-1**. It summarizes my education and relevant work experience. As it states, I am a Certified Public Accountant in the State of Texas, USA, and a Senior Managing Director of FTI Consulting, Inc. I have 25 years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services. I have performed detailed financial analyses for a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. In the litigation context, I have acted as an

expert on a variety of economic damage claims and forensic accounting issues. In several cases alleging fraud and other wrongdoing, I have traced funds for potential recovery. I have also been retained by audit committees to assist in investigating allegations of accounting and financial improprieties.

2. The statements made in this declaration are true and correct based on the knowledge I have gained from the many documents I have reviewed and other work I and my team have performed in the course of FTI's investigation on behalf of the Receiver.

3. I use the following acronyms or short-hand terms to refer to certain entities in this declaration:

- Stanford Entities — all legal entities owned, directly or indirectly, by the named Defendants in the SEC action as of the date the U.S. Receivership was instituted.
- SIB — Stanford International Bank, Limited.
- STCL — Stanford Trust Company Limited, an Antigua trust company.
- SFG — Stanford Financial Group, the name given to Allen Stanford's "global network of financial companies."
- SFGC -- Stanford Financial Group Company, which provided shared services, including Treasury and Investment services, to SIB and other companies within SFG.
- SGC — Stanford Group Company, a U.S. broker-dealer entity incorporated in Texas.

SEC ACTION AND FTI'S INVESTIGATION

4. On February 16, 2009, the United States District Court for the Northern District of Texas appointed Ralph S. Janvey the Receiver for SIB and the rest of the Stanford Entities. On the same day, the Receiver retained FTI to perform a variety of services, including assisting in the capture and safeguarding of electronic accounting and other records

of the Stanford Entities and forensic accounting analyses of those records, including cash tracing. I oversee, and am personally involved in, FTI's forensic accounting and cash tracing activities. The purposes of FTI's work have been, in part, to (a) determine the roles that the various Stanford Entities played in the fraud alleged by the SEC and specifically in the sale and redemption of SIB certificates of deposit ("CDs"); (b) identify the source(s) of income and cash flows of the various Stanford Entities; (c) trace funds to determine how they were allocated and disbursed throughout the Stanford Entities; and (d) review the circumstances relating to the sale of SIB CDs.

5. As part of our work, we have interviewed numerous present and former Stanford Entity employees. These include, but are not limited to, the persons whose names (as well as employer, title, and supervisor) are listed in exhibit **KVT-2**. In addition, we have examined the available accounting and other records (including email files of certain former Stanford employees) relating to the Stanford Entities located in and/or gathered from Houston, Texas; Tupelo, Mississippi; Baldwin, Mississippi; Memphis, Tennessee; Miami, Florida; St. Croix, United States Virgin Islands; Antigua; Barbuda; and other Stanford locations within and outside the U.S. We have also reviewed extensive SIB customer records, including but not limited to paper and electronic records documenting SIB CD purchases, interest payments and redemptions.

6. FTI has also obtained and analyzed paper and electronic files from third-party financial institutions where bank accounts of various Stanford Entities are or were located. These financial institutions include Toronto Dominion Bank in Canada, Trustmark National Bank and the Bank of Houston. In addition, FTI has gathered and reviewed electronic and other data from Pershing, LLC and JP Morgan Clearing Corp., both of which have held or

currently hold SGC customer and former employee accounts, and SEI, which held STC accounts.

7. FTI's analyses of the records of SIB and other Stanford Entities were conducted using reliable practices and methodologies that are standard in the fields of accounting and finance. The findings and conclusions set forth herein are based on these analyses.

SIB WAS A PONZI SCHEME

8. The SEC alleges in its Second Amended Complaint in Case No. 03-CV-0298-N that the Stanford Entities constitute "a massive Ponzi scheme" involving "misappropriate[ion of] billions of dollars of investor funds." Likewise, James Davis, Chief Financial Officer for both SIB (according to SIB's published financial statements) and SFGC and a long-time business associate and confidant of Allen Stanford, has pled guilty to charges that he conspired with Allen Stanford and others in running a Ponzi scheme in violation of federal securities laws. In connection with his guilty plea, Davis admitted that SIB was a "massive Ponzi scheme whereby CD redemptions ultimately could only be accomplished with new infusions of investor funds." As explained in more detail below, my findings are consistent with the SEC's allegations and Davis's admission. SIB was insolvent (*i.e.*, its liabilities exceeded its assets) from at least 2004 and probably for much longer, yet it continued selling CDs to the end. It induced investors to buy CDs by offering substantially above-market rates, issuing financial statements and other data that significantly overstated its earnings and assets, and misrepresenting its business model, investment strategy, financial strength, the safety and nature of its investments and other facts important to investors. SIB incentivized Stanford-affiliated financial advisors to convince their clients to purchase SIB

CDs over other kinds of investments by paying the financial advisors above-market commissions and other compensation tied to CD sales. SIB's actual (as opposed to reported) earnings and assets, however, were insufficient to meet its CD payment obligations. SIB could only keep the scheme going by selling yet more CDs and using the proceeds to pay redemptions, interest and operating expenses. Significant sums were also diverted to finance Allen Stanford's opulent life style of yachts, jet planes, travel, multiple homes, company credit cards, *etc.* Davis, Holt and other insiders were paid handsomely for their complicity.

9. Allen Stanford was sole owner, directly or indirectly, of more than 130 separate entities, including SIB and STC. These entities comprised a single commonly-owned financial services network called the "Stanford Financial Group," which was headquartered in Houston.

10. Stanford, along with a close band of confidantes, controlled SFG (of which SIB was a part). These confidants included Jim Davis, CFO of both SFGC and SIB, and Laura Pendergest Holt, Chief Investment Officer for SFGC.

11. SIB was nothing like a typical commercial bank. It did not offer checking accounts and did not make loans (other than to CD investors up to 80% of their CD balance). It had one principal product line—certificates of deposit—and one principal source of funds—customer deposits from CD purchases. The terms of some SIB CDs permitted partial redemptions before maturity upon customer demand.

12. SIB offered CD rates that were significantly greater than those offered in the United States. A SIB 2007 marketing brochure (attached as exhibit **KVT-3**) tracks SIB's historic CD yield against average US CD yields. SIB's yield ranged from a high of 388% of the US yield in 2002 to a low of 140% of the US yield in 2006. According to the brochure,

SIB was able to pay high CD rates by investing in “a well-diversified portfolio of highly marketable securities issued by stable governments, strong multinational companies and major international banks.” As a result, the brochure continues, “[SIB] has been consistently profitable since inception.” In other words, SIB purported to function like a hedge fund but, unlike a hedge fund, its customers were guaranteed (by SIB) a specified return regardless of the fund’s performance. SIB’s reported returns were remarkably steady, fluctuating from only 11.7% to 14.9% between 1997 and 2007. SIB showed a profit in good times and in bad. The one exception was the second half of 2008, when financial sector businesses across the globe were struggling for survival and many feared we were on the brink of financial collapse. Even then, SIB’s accounting records reflected positive investment earnings, but a small overall loss--just 2% of total (purported) financial assets--after deductions for CD interest and other expenses. What to some appeared to be too good to be true was indeed untrue. As Stanford himself said at an October 2008 financial advisor conference: “We’re about, as of early October, down about four percent, I guess. . . . I’m not happy with that [but] in this market I guess it’s astounding.”

13. The most significant numbers on SIB’s financial statements--revenues and asset values--were fictitious. Davis states in his plea agreement that assets were inflated to offset CD obligations and that revenues were “reverse-engineered” to arrive at desired levels. My findings are consistent with those admissions.

14. We found within SIB’s accounting records worksheets used to derive fictitious SIB revenues back to 2004. The Ponzi scheme conspirators would simply determine what level of revenues SIB needed to report in order to both look good to investors and regulators and to purport to cover CD obligations and other expenses. They would then back into that

total amount by assigning equally fictitious revenue amounts to each category (equity, fixed income, precious metals, alternative) of a fictitious investment allocation.

15. The returns were fictitious, and they were based on fictitious asset totals.

(a) SIB's records reflected that, as of December 31, 2008, it held \$8.3 billion in "financial assets" -- presumably actively traded securities and metals, as SIB represented to the public. The reality was much different. As of the end of 2008, SIB held less than \$500 million in securities, or less than 7% of the total CD obligations.

(b) FTI also discovered that \$3.174 billion of SIB's claimed 2008 assets consisted of two real estate holding entities that had been purchased that same year for only \$63.5 million and whose only assets were tracts of undeveloped Antiguan real estate. The value of those assets was inflated 50 times the purchase price through a series of paper transactions involving other Stanford-owned entities. These repetitive flips had no apparent economic substance and appear to have been engaged in solely to grossly overstate the value of the assets so as to prop up SIB's balance sheet.

(c) FTI found that another \$1.8 billion in SIB assets consisted of notes receivable from Allen Stanford. To my knowledge, however, Stanford had no significant assets apart from the various Stanford Entities, which collectively owed billions of dollars more than they had in assets.

(d) Other assets were similarly overstated. Private equity investments, for example, were recorded on SIB's books at amounts that the Receiver's subsequent sales efforts have revealed to be many times greater than their

realizable value. These were valued at \$1.2 billion as of June 30, 2008, but it is expected that the Receivership may realize as little as \$25 million from such assets.

(e) Moreover, the fact that many of SIB's assets consisted of real estate, unsecured notes from Allen Stanford, and private equity investments was contrary to SIB's assurances to customers that its investments consisted of "highly marketable securities issued by stable governments, strong multinational companies and major international banks" so as to "maintain[] the highest degree of liquidity." See KVT-3 at 3.

16. Misinformation regarding SIB's financial strength, profitability, capitalization, investment strategy, investment allocation, the value of its investment portfolio, and other matters, was regularly disseminated from Stanford, Davis, Holt and others working under them to Stanford financial advisors, for use in inducing potential investors to purchase SIB CDs.

17. SIB CDs were marketed through financial advisors employed by other Stanford-owned entities. The financial advisors were heavily incentivized by above-market commissions and bonuses to steer their clients to SIB CDs rather than other investments.

18. At the inception of the U.S. Receivership on February 16, 2009, SIB's total obligation to CD holders was approximately \$7.2 billion (U.S.), versus reported investments valued at \$8.3 billion as of December 31, 2008. Based on my analysis, the market value of all assets for all Stanford Entities (including SIB) combined total less than \$1 billion. At the time SIB was placed into receivership, SIB was insolvent (*i.e.*, its liabilities exceeded its assets) by more than \$6 billion.

19. Through analysis of SIB's financial records, FTI has determined that SIB was insolvent by at least 2004 and very likely before then. SIB's reported assets consisted overwhelmingly of "financial assets" and cash. The published balance sheets represented that "financial assets" were reported at "fair value." Of course, cash, by definition, is stated at fair value (assuming correct reporting). We know, however, from our investigation and review of internal SIB records, that each year, from 2004 forward, SIB's reported asset totals included, without disclosure to the public, notes receivable from Allen Stanford and certain assets with clearly inflated values. When these amounts are deducted from the asset totals contained in SIB's published financial statements, it is apparent that, from at least 2004, SIB's liabilities exceeded its assets. The inflated assets that I refer to were certain private equity stakes initially held by other Stanford Entities (although likely purchased with SIB CD proceeds). These interests were transferred to Allen Stanford, and then from Stanford to SIB, which recorded them on its books at much inflated values with no apparent economic gain having been achieved. These transfers appear to have been booked for the purpose of giving SIB the false appearance of financial strength. Assets other than private equity were also fictitious or overvalued, as we saw in our analysis of 2008 data. Certainly, persons engaged in perpetuating a Ponzi scheme would have had no incentive to understate asset values; and, as we have seen, Stanford and his cohorts had a pattern of overstating asset values, ostensibly to induce more people to purchase "safe" SIB CDs.

20. Through an analysis of cash flows for the period January 1, 2008 through February 17, 2009, we have verified that proceeds of CD sales were used to make purported interest and redemption payments on existing CDs. That just confirmed what we knew had to be true anyway, as SIB's assets, reserves and investments were insufficient to fund its

redemption and interest payments. SIB's CD transaction records indicate that approximately \$2 billion was paid to investors for principal and interest from January 1, 2008 through February 17, 2009. SIB's principal income-generating assets, which were managed in what was known as "Tier 2", never totaled more than \$1 billion, even when the stock market was at a high and the economy was strong. By the end of 2008, "Tier 2" had declined to less than \$500 million, due to a combination of increasing redemptions and liquidations and falling market values. Even if SIB had fully liquidated all investments in its portfolio, it would not have realized enough cash flow to cover just the redemptions in 2008 without the influx of new CD purchase money. And in fact, when the market declined, we know that it took only 4 months for liquid assets to substantially deplete, even though \$7.2 billion in CD obligations remained. As a result of this decline, all actual gains earned since 2003 were lost. Thus, although the SIB CD portfolio contained some legitimate investments, the earnings from those investments were negligible in comparison to and could not reasonably have been expected to cover SIB's total obligations to the CD holders.

21. SIB necessarily used current CD proceeds to pay existing CD investors in previous years too. Although SIB received some earnings on investments, those amounts were miniscule compared to its cash flow obligations.

22. Based on FTI's analysis to date, I have concluded that from at least 2004 (and likely for much longer), SIB relied on proceeds from the sale of new CDs to make purported interest and principal payments to existing CD investors. This is especially evident from the fact that, when CD sales faltered in 2008, SIB was immediately forced to sell off most of its assets that were readily available for liquidation just to maintain payments for a short time. By using the proceeds of new CD sales to pay interest and redemptions to existing CD

holders, Stanford, Davis and their cohorts concealed their fraud and perpetuated the Ponzi scheme.

23. CD sales proceeds not used to pay interest, redemptions, and current operating expenses (including commissions and other incentive payments to financial advisors) were either placed in speculative investments (many of them, such as real estate and private equity deals, illiquid), diverted to other Stanford Entities “on behalf of shareholder” (*i.e.*, for the benefit of Allen Stanford) or used to finance Allen Stanford’s lavish lifestyle (*e.g.*, jet planes, a yacht, other pleasure craft, luxury cars, homes, travel, company credit card, *etc.*).

24. A tipping point was reached in October 2008: That month and every month thereafter, incoming funds from new investors were insufficient to offset outgoing payments to existing investors. Continuing CD sales could no longer cover purported redemptions, interest payments and normal operating expenses. This cash flow crisis caused a rapid depletion of liquid assets, which were inadequate to begin with to cover SIB’s CD obligations. By the time the U.S. Receivership was instituted, SIB had already suspended redemptions for certain investors and many Stanford Entities had stopped paying many obligations. For example, SIB received negative publicity concerning its failure, in early February 2009, to fund a \$28 million commitment to a Florida communications company named Elandia International Inc.

25. Notwithstanding SIB’s insolvency and the rapid liquidation of its investments during 2008 and into 2009, CD sales continued until February 16, 2009, when the SEC and the U.S. Court intervened. These CD purchases were too small, however, to continue to cover for the lack of assets owned by SIB.

WITHOUT CD PROCEEDS, STANFORD GROUP COMPANY WAS INSOLVENT

26. SGC was another Stanford Entity, which operated as a U.S. broker dealer. Its financial advisors sold thousands of SIB CDs. SGC received commissions, or referral fees, for these sales. SGC also performed “portfolio management”¹ and other services for SIB relating to the CD investment portfolio and for which it received fees from SIB.

27. Without income related to SIB CDs, SGC would have been insolvent from at least 2004 forward (and likely before). Referral fees and other CD related compensation paid by SIB to SGC constituted 71.65% of SGC’s revenue for 2004, 63.62% for 2005, 65.01% for 2006, 50.8% for 2007 and 52.83% for 2008. Even when this CD related compensation from SIB is considered along with other income received by SGC in the ordinary course of business, SGC showed negative cash flows from operations of \$7,674,855 in 2004, \$18,029,885 in 2005, \$46,054,375 in 2006, \$6,616,444 in 2007 and \$35,102,135 as of November 30, 2008.²

28. The only reason SGC’s financial statements did not reflect negative cash flows between 2004 and 2008 is because SGC received millions of dollars in capital contributions from other Stanford Entities. SGC received \$10,000,000 in capital contributions in 2004, \$21,000,000 in 2005, \$51,500,000 in 2006, \$41,750,000 in 2007 and \$51,000,000 in 2008. A chart detailing SGC’s CD related compensation and capital contributions between 2004 and 2008 is attached hereto as exhibit **KVT-4**. Capital contributions to SGC consisted primarily of SIB CD sale proceeds.

¹ The portfolio at issue comprised the overvalued private equity assets of SIB.

² The sources of this data are audited SGC statements, except for the 2008 figure, which comes from unaudited financial statements.

**THE STANFORD FINANCIAL ADVISORS IGNORED MULTIPLE WARNING
SIGNS ABOUT THE FRAUDULENT NATURE OF THE SIB CD PROGRAM**

29. Based on FTI's investigation regarding the Stanford Ponzi scheme and the facts and circumstances leading up to its collapse in late 2008 and early 2009, there were a number of "warning signs" or "red flags" that should have prompted significant concerns and investigation by the financial advisors who sold SIB CDs regarding the nature and validity of the CDs and the underlying investment portfolio. In light of these warning signs and red flags, and considering the FINRA rule requiring financial advisors to have "reasonable grounds for believing that [an investment] recommendation is suitable for [the] customer . . ." (FINRA Conduct Rule 2310(a)), the Stanford financial advisors should have become concerned and should have adequately investigated the CDs before selling them to SGC customers.

SIB Was An International Bank in Antigua

30. The fact that the SIB CDs were being sold by an international bank in Antigua, alone, should have caused the Stanford financial advisors to perform further investigation regarding the CDs. Because SIB was an international bank, the financial advisors would have known that there was no FDIC insurance coverage for the CDs or any other similar insurance protection. That is one of the well known risks of investing with international banks. Moreover, Antigua, a country with a population today of approximately 85,000 people, is well known in the United States for its lack of adequate regulation of the financial services sector. In fact, there are only three bank examiners in the Financial Services Regulatory Commission of Antigua who are responsible for all of the banks in Antigua. The entire country's gross domestic product for 2009 was \$1.55 billion and its 2009 annual expenditures were \$293 million (which put the country at a deficit), both amounts being small fractions of the value of

assets claimed to be deposited with SIB in Antigua during that same time period. (See <https://www.cia.gov/library/publications/the-world-factbook/geos/ac.html>.) Had the financial advisors reviewed similar publicly available information for prior to 2009, they would have found that the GDP and annual budget for Antigua were comparable. It is not surprising that a government with such a lack of resources was unable to adequately oversee SIB along with the many other banks operating on the island, and the Stanford financial advisors faced with the same information should have investigated further regarding the adequacy of the oversight of SIB and the validity of the CD program.

SIB's Investment Returns Were Too Good To Be True

31. The high rates of return and consistent profitability of the SIB CD portfolio that were reported by SIB, at a time when the world economy was in crisis, likewise should have prompted the Stanford financial advisors to investigate exactly how the SIB CD portfolio was invested and how it could achieve such results. The historical performance of SIB's CDs is extraordinary, to say the least. SIB offered CD rates that were significantly greater than those offered in the United States. In its own marketing brochure, SIB included the following comparison in the yields of SIB CDs versus average U.S. Bank CD yields between 1997 and 2006:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SIB Yield (%)	10.13	9.25	8.71	9.625	9.13	7.17	6.38	6.21	6.52	7.13
U.S. Yield (%)	5.8	5.3	4.9	5.85	3.55	1.85	1.78	2.7	4.46	5.08

As mentioned above, at their worst, SIB CDs had a rate of return 140% greater and at their best 388% greater than the average rate for U.S. Bank CDs. Even more incredible were the overall rates of return earned by the SIB CD investment portfolio between 1997 and 2007 --

i.e. the total amount earned by SIB, not just the amount paid to investors. Specifically, according to internal company documents, the investment portfolio had a 14.9% overall rate of return in 1997, 14.8% in 1998, 14.2% in 1999, 14.1% in 2000, 14.3% in 2001, 14% in 2002, 11.7% in 2003, 11.9% in 2004, 12.1% in 2005, 12% in 2006 and 12.7% in 2007. *See* SIB Return Chart, Ex. 18, Appx. 223-28.³ These internal documents were part of the training materials used to train SGC financial advisors.

32. A comparison of SIB's claimed overall rate of return on its CD investment portfolio to well known index rates of return during the same years further highlights the disparity in performance between the SIB CD portfolio and the world financial markets in general. Over the years, the performance of the SIB CD portfolio often exceeded many of the well-known index rates of return. Even when it did not, however, the returns for SIB were remarkably consistent and steady from year to year, a result that is extremely rare in normal market conditions and even more so during the time period in question. The below chart shows the major index returns for the years 1997 through 2007 as well as the amounts allegedly earned by SIB during those years, all as reflected in SIB's own documents that were provided to SGC financial advisors:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
SIB Yield (%)	14.9	14.8	14.2	14.1	14.3	14	11.7	11.9	12.1	12	12.7
Dow Jones Return	22.64	16.10	25.22	-6.18	-7.10	-16.76	25.32	3.15	-0.61	16.29	6.43
Dow Jones Stoxx 50	36.84	32.00	46.74	-2.69	-20.25	-37.30	15.68	6.90	21.28	15.12	6.79

³ Exhibit and appendix references herein, unless otherwise stated, are to exhibits and the appendix to the Receiver's Application for Temporary Restraining Order, Preliminary Injunction, and in the Alternative, Writ of Attachment, Concerning Accounts of Former Stanford Employees (Doc. 392).

Return											
Nasdaq 100 Return	20.63	85.31	101.95	-36.84	-32.65	-37.58	49.12	10.44	1.49	6.79	18.67
S&P 500 Return	31.01	26.67	19.53	-10.14	-13.04	-23.37	26.38	8.99	3.00	13.62	3.53

Of course, Stanford financial advisors also had ready access to this type of information publicly, and customers would have expected them to know the index rates of return.

33. As the chart above reflects, the SIB CD returns were in excess of and/or more consistent than virtually every other stock, CD, fund or other investment to which SIB compared its CDs in its marketing materials. The Stanford financial advisors faced with these facts at least should have investigated to ensure they had an understanding of what they were selling and the suitability of those products for their customers.

SIB Commission Rate Structure Was Economically Unsustainable

34. Stanford financial advisors likewise were paid far above normal market commission rates to sell the SIB CDs, which is yet another factor that should have caused the financial advisors to investigate further, in particular regarding how SIB could afford to pay those rates. SGC received a 3% commission (also called a “referral fee”) on the initial sale of a SIB CD, and 3% annually for the life of the CD. Financial advisors, in turn, received as much as an annual 1% commission on all amounts their customers had in CDs for that year and were eligible for commissions on the initial sale of CDs of 1% or more. As the SEC pointed out in a September 2005 letter to Jay Comeaux as part of an SEC investigation, this commission structure would result in SGC receiving a referral fee of 15% of the amount invested on a SIB CD with a 60-month maturity, which the SEC said was more than any rate legally allowed. See SEC Letter to Jay Comeaux, Ex. 11, Appx. 199-206. SGC financial

statements, to which the Stanford financial advisors had access, referred to this letter in 2005, 2006, and 2007. That means the financial advisor for that customer would receive 5% of the amount invested over the life of the CD. Moreover, if the financial advisor sold over \$2 million in SIB CDs in any given calendar quarter, they earned an additional 1% quarterly bonus on those sales. By comparison, when an SGC broker sold a typical certificate of deposit issued by a U.S. bank (and insured by the FDIC), the commission to SGC was in the range of 0.05% to 0.125% of the initial amount invested, or roughly 150 times smaller than the normal commission SGC received on a SIB CD. *See Sales Credit Table, Ex. 19, Appx. 229.* The financial advisors of course were aware of this disparity.

35. In addition to exceeding payments received for U.S. bank CD products, the SIB CD commission structure for financial advisors was unusual in other ways. The financial advisors received a percentage each year of the amount their clients held in SIB CDs, regardless of whether the financial advisor sold new CDs that year. The “trailing commission,” as it was known, had the obvious impact of causing financial advisors to pressure customers into not redeeming their CDs -- *i.e.* into leaving their money with the bank. In addition, the trailing commission was structured to incentivize financial advisors to continue selling new CDs by increasing — or decreasing — the percentage of their trailing commission depending on the volume of new CDs they sold — or did not sell — in a given year.

36. Commission and bonus structures like that used by SIB are not typical, largely because they cannot be sustained economically -- *i.e.* the investments do not make enough to cover the stated CD rates of return, commissions and referral fees along with other applicable expenses. Stanford financial advisors typically worked as financial advisors for other firms

before coming to Stanford and thus would have known that the SIB commission rates were unusual. Concerns regarding whether SIB lacked the ability to pay the purported rates of return, commissions, referral fees and expenses should have caused the Stanford financial advisors to investigate the SIB CD program.

*Information Available To Financial Advisors
About SIB Investment Portfolio Was Inadequate*

37. The NASD concluded as early as 2006 that SGC violated NASD rules through “unwarranted and misleading” assertions that SIB’s portfolio investments were “prudent”—at a time when SGC admitted that “no one at SGC knows what the investments are.” *See* NASD Letter, Ex. 21, Appx. 231-33. FTI’s investigation confirms this conclusion.

38. FTI’s investigation has uncovered very little information available to the Stanford financial advisors about how SIB purportedly invested funds from the sale of CDs. It was commonly known throughout SGC that SIB was owned and controlled ultimately by Allen Stanford, that James Davis and Laura Pendergest-Holt had principal responsibility for the management of the SIB CD investment portfolio and that specific information regarding the investment portfolio was not readily available.

39. On the few occasions where we have discovered that financial advisors actually inquired about SIB’s investments, however, they received extremely limited and generic information, making it impossible for them to evaluate the suitability of the CDs for their customers. They nonetheless continued to sell the SIB CDs to customers and were well paid to do so.

40. For example, in August 2007, financial advisor Doug McDaniel wrote to Jim Davis, Laura Pendergest, and Juan Rodriguez-Tolentino: “I have only done \$3,000,000 of my

clients' money (and my own) in the CD product. I have the potential to do much more, but to do that, I would need to become even more comfortable with the product." *See* McDaniel Email, Ex. 13, Appx. 209-12. McDaniel attached a list of questions, noting "some of them may sound like an investigative reporter but I'd like to get as comfortable as I can with the bank." At Davis's suggestion, McDaniel forwarded the questions to Rodriguez-Tolentino, the president of SIB, along with a request for a phone call on the topic. The attached questions included: "My understanding is that from 2000-2002, the Bank's portfolio returns were in the range [of 11% to 15%]. With S&P and EAFE negative for all of those years, and yet a tolerance of up to 50% equity for the bank, how was the bank's portfolio invested"; "What financial instruments and strategies are in place to guard against significant losses in the portfolio, particularly on the equity side? Does each of the managers hedge their own portfolios against loss or do you employ a separate manager to hedge the total bank portfolio."; and "There are many people involved on the investment committee of the Bank. How does this committee ensure that appropriate hedging is in place? This would seem to require some sophisticated calculations outside the expertise of most investment committees." FTI has located no evidence that Tolentino ever answered McDaniel's very basic questions. By late 2008, McDaniel nonetheless had increased his client SIB CD portfolio to over \$13 million. Between April 2006 and February 2009, he received \$134,767 in SIB CD commissions, \$84,359 in SIB quarterly bonuses, and \$1,314,168 in loans.

41. In March 2008, financial advisor Robert Ulloa wrote to Jason Green with a list of similar concerns regarding SIB. *See* Ex. 8, Appx. 190-91: Ulloa inquired as to: "SIB's funding sources other than CDs?"; "Which banks provide liquidity funding to SGC?"; "Liquidity funding, how SGC does it?"; "SIB's Equity Investments, what percentage is

private?"; "Have we reduced/increased our exposure to financials?"; "How leveraged is Stanford, is it 30 to 1 like most investment banks?" Although Laura Pendergest-Holt suggested addressing Ulloa's questions on an upcoming all-financial advisor call, noting "I am sure if he has these questions others will as well," FTI has located no record of what, if any, answers were provided to the group. By late 2008, Ulloa had increased his client SIB CD portfolio to over \$165 million. Between 2005 and 2009 he received \$3,585,168 in SIB CD commissions and \$987,973 in SIB quarterly bonuses.

42. Also in March 2008, financial advisors Neal Clement, John Mark Holliday and Scot Thigpen discussed SIB and how to "have a good story to tell prospective clients . . . in these difficult markets." *See* Ex. 4, Appx. 23-27. Thigpen noted that it was "difficult . . . to show [SIB is] able to provide positive returns even in light of horrible market conditions." Thigpen opined that "[a]ccredited investors are pretty savvy investors lots of times" and asked how one could show them the available SIB CD rates without showing them the underlying portfolio returns. Clement responded: "If I have a client that has to see the [SIB] portfolio, the SIB is not for them!!!!" By 2008, Clement's client SIB CD portfolio exceeded \$20 million and Holliday's exceeded \$3 million. Between April 2006 and February 2009, Clement received \$270,347 in SIB CD commissions, \$163,882 in SIB quarterly bonuses, and \$639,506 in forgivable loans; and Holliday received \$33,358 in SIB CD commissions and \$597,503 in forgivable loans.

43. Thus, the former Stanford financial advisors had insufficient information upon which to make recommendations to clients regarding the suitability of SIB CDs. The NASD reached the same conclusion as part of a 2006 inquiry into the SIB CD program and SGC's sales practices. Specifically, the NASD concluded that SGC had violated NASD rules

through “unwarranted and misleading” assertions that SIB’s portfolio investments were “prudent”—at a time when SGC admitted that “no one at SGC knows what the investments are.” *See* NASD Letter, Ex. 21, Appx. 231-33. The Stanford financial advisors under these circumstances should have conducted a full investigation to determine the suitability of the investment for their customers.

*The Limited Information That Financial Advisors Did Have
Regarding The SIB CD Investment Portfolio
Should Have Caused Them To Investigate Further*

44. Though the fact that information regarding the SIB CD investment portfolio was difficult to come by, alone, should have caused financial advisors to investigate further, the limited information they did have about the portfolio likewise should have put them on notice that the SIB CDs likely were not legitimate investment products. The representations that SIB made about its investment strategy were not consistent with the purported investment returns. Moreover, a review of SIB’s financial statements shows that the SIB financial model was not sustainable without the influx of new CD money.

45. The fact that the SIB investment portfolio was controlled by James Davis and Laura Pendergest-Holt should have been cause for concern that the portfolio was not being managed properly. It is extremely unusual for such a small number of people to manage and control a multi-billion dollar investment portfolio. Most financial institutions search for and recruit the top talent in the market to manage portfolios of that size. Davis, on the other hand, was Stanford’s college roommate who had worked with Stanford since college and had no investment management experience. Likewise, Pendergest-Holt met Davis because their families were both from the same small Mississippi town. She likewise started with Stanford right out of college and had no prior investment management experience. Had the Stanford

financial advisors at least asked about Davis's and Pendergest-Holt's background, they would have found that Davis and Pendergest-Holt were not qualified to handle SIB's investments. *See* exhibits **KVT-9** at 1; **KVT-10** at 5, 12-13; and **KVT-11** at 3. At best, the kind of success Pendergest-Holt and Davis claimed to have with the SIB CD investment portfolio could have been characterized as luck, something financial advisors should not rely upon in selling investment products to their customers.

46. The extraordinary returns provided by the SIB CDs were particularly unusual considering SIB's representations regarding its conservative investment strategy and emphasis on guaranteed returns to its CD customers. As a general rule, in order to achieve higher levels of returns, it is necessary to take on a higher level of investment risk. Here, SIB in essence claimed to buck this trend by providing consistently high returns as well as the lowest level of consumer risk. Moreover, SIB offered no substantive explanation as to how it was able to achieve these uncommon results. In its 2007 Annual Report, SIB claimed to "focus on maintaining the highest degree of liquidity as a protective factor for our depositors...[by investing] in a well-diversified portfolio of highly marketable securities issued by stable governments, strong multinational companies and major international banks." **KVT-3** at 3. This is hardly an extraordinary investment strategy and indeed is one promoted by many financial institutions whose products lost money and/or were very volatile while SIB CDs were supposedly providing consistent and positive returns. At a minimum, this apparent disconnect between a conservative investment strategy and consistent and/or above-market returns should have caused the Stanford financial advisors to investigate and resolve this apparent disconnect.

47. SIB's claimed conservative investment strategy also did not square with the information SIB made available to the public about its portfolio. For example, in its 2007 annual report, which was available to all of the financial advisors (and the public), SIB claimed that its investment portfolio at fair value consisted of 58.6% equity, 18.6% fixed income, 15.6% alternative investments (*i.e.* hedge funds) and 7.2% precious metals. *See* exhibit **KVT-5**. SIB's investment allocation for the years prior, going back to at least 2004, was very similar to this. *See* exhibits **KVT-6, 7 and 8**. Other than the fixed income, the performance of every component of this investment allocation was volatile and subject to significant risk, particularly in the 2004 through 2007 time period. Even fixed income has risk. The Stanford financial advisors faced with SIB's stated investment strategy and this information regarding its investment portfolio should have inquired further to understand exactly how the portfolio was invested.

48. By reviewing SIB's financial statements, a basic exercise that Stanford financial advisors selling SIB CDs should have performed, the financial advisors likewise would have seen that SIB's apparent assets were volatile and subject to change and that even a small drop in market performance of SIB's portfolio would have caused the total reported assets to become insufficient to pay CD obligations. For example, in 2007 a mere drop of 4.50% of the reported financial assets would have resulted in SIB's combined cash, cash equivalents and reported financial assets being less than their outstanding purported CD obligations. Indeed, as discussed further below, non-Stanford CPAs advising SGC customers came to these conclusions based on presumably the same or even less information than was available to the Stanford financial advisors.

49. When financial advisors have concerns or questions about an investment product, one obvious way for them to investigate the product is to review audit reports or contact the auditor directly. Most multi-billion dollar investment funds go through rigorous audits by large and well-known audit firms and in fact switch auditors every few years to avoid even the appearance of impropriety. This was not the case with SIB and the financial advisors were aware of this fact. As reported in SIB's annual statements, from SIB's inception to its closing, its auditing firm was C.A.S. Hewlett & Co., Ltd., a very small local firm in Antigua. The Hewlett firm lacked the apparent resources, credentials, reputation, and staff to audit a multi-billion dollar investment portfolio. SIB used this firm even though at least 2 of the Big 4 audit firms and several other international firms had a presence on the island and all of the Big 4 had locations in the Caribbean. The Stanford financial advisors should have investigated the adequacy of SIB's auditor faced with this information.

50. When some financial advisors tried to obtain information about or expressed concern about SIB's auditor, they were unsuccessful. Yet, they continued to sell CDs despite these concerns. *See, e.g.*, Email from Bill Whitaker to Jason Green dated May 22, 2008, Ex. 27, Appx. 251 ("I met with a very wealthy prospect yesterday...and his first question concerned the auditors, C.A.S. Hewlett & Co. Ltd. in Antigua...He also said that he was surprised that a \$7 Billion bank did not retain a Big 4 or an International Auditor. Please let me know who could I talk to give me a better understanding of the SIB auditors...." FTI and the Receiver have not located a response); Email from Mark Groesbeck to Mark Kuhrt dated September 25, 2007, Ex. 28, Appx. 252. Just before the Receiver was appointed in February 2009, one of the financial advisors, Chuck Vollmer, acknowledged that he had been a proponent of hiring a "big name audit firm" for four years. *See* Vollmer Email, Ex. 22, Appx.

234-35. Despite these concerns, his client CD portfolio in 2008 was over \$29 million, and he earned at least \$680,000 in commissions and bonuses directly tied to selling SIB CDs.

Financial Advisors Were Aware of Negative Findings By the SEC

51. The Stanford financial advisors cannot credibly claim that they did not have sufficient notice of problems with SIB CDs to cause them to perform extensive additional investigation. As the above examples of inquiries lodged by some financial advisors show, many financial advisors did have concerns, even if they ultimately failed to follow through on them. Indeed, as early as 2002, another financial advisor, Leyla Basagoitia was fired, allegedly because of “her continued reluctance to push SIBL and its products”. *See In re Stanford Group Company and Basagoitia*, Docket No. 03-02025, 2004 WL 2191763, at *2 (N.A.S.D. Sept. 15, 2004). In an arbitration following her termination, Basagoitia alleged that SGC was “engaged in Ponzi scheme to defraud its clients” and that the SIB CD was “risky in nature, unsuitable, and not the interest of her clients.” Had the Stanford financial advisors properly investigated, as they should have under these circumstances, they would have been led to the same inevitable conclusion or been thwarted in their efforts, which should have caused them to cease all sales of SIB CDs.

52. Others who were not Stanford insiders raised such concerns, as the financial advisors were well aware. For example, the SEC raised issues regarding SIB CDs and underlying investments in 2004 and 2005. During the inquiry, the SEC observed a number of red flags and concluded that “SGC made material misstatements to investors concerning [SIB CDs and failed] to disclose material facts in connection with the sales.” *See* SEC Letter to Jay Comeaux, Ex. 11, Appx. 199-206. In September 2005, the SEC wrote to Jay Comeaux, and related the SEC’s finding that SGC’s SIB CD marketing materials falsely “imply little or no

risk to the investor” and that those materials were “materially misleading as they inaccurately imply a safety of principal and the guaranteed receipt of interest of the principal.”

53. As part of the same inquiry, the SEC sent a detailed questionnaire to a number of SIB CD investors, clearly signaling concerns about the CDs, the makeup of the underlying investment portfolio, and misrepresentations that customer deposits were guaranteed or protected by insurance. *See* SEC Questionnaire, Ex. 17, Appx. 219-22. Questions included: “Did anyone tell you where Stanford was going to invest your funds in order to generate returns for CD Program Investors?”; “Did anyone tell you that funds invested in the CD Program were insured against loss?”; “Did anyone guarantee the return of your principal investment?”; and “Please describe in full what you were told, if anything, about the risk of this investment.” Notice of this questionnaire was sent to *all* financial advisors in May 2005. *See* Rep Poppell Email, Ex. 20, Appx. 230.

54. Moreover, customers contacted their FAs to express concern caused by the inquiry and financial advisors discussed those concerns internally. *See, e.g.,* Rep Poppell to Alvarado Email, Ex. 26, Appx. 250 (“Jay Comeaux phoned.....his broker Doug Shaw has received a phone call from one of his clients. It seems the client has received a letter and subsequent request from the SEC regarding his respective purchase of a SIB CD from SGC. The letter is signed by Jennifer Brandt, SEC department of enforcement. I am not aware of such letter and am attempting to contact SEC to inquire. Jay is attempting to get a copy of this letter from the client.”). Also in June 2005, another Baton Rouge financial advisor wrote to Hank Mills to “find out how many of your clients received a letter from the SEC and *if there were any negative repercussions.*” *See* Email to Hank Mills, Ex. 23, Appx. 236 (emphasis added). In response to the questionnaire, Jay Comeaux and Mark Tidwell held an

all-hands meeting in Houston to discuss it in June 2005. *See* Tidwell Meeting Invite, Ex. 24, Appx. 237-38. The invitees to this meeting included several financial advisors, including George Arnold, Andrea Freedman, Nancy Brownlee, Susana Cisneros, Jay Comeaux, Jason LeBlanc, Trevor Ling, Manuel Malvaez, Donald Miller, Spencer Murchison, Lupe Northam, Tony Perez, Lou Perry, Sumeet Rai, Doug Shaw, Brent Simmons, Christopher Thomas, Al Trullenque, and David Whittemore. These financial advisors have accounts currently frozen by the Court's orders in the aggregate amount of \$7.3 million, representing nearly a third of the value of all former employee held accounts.

55. The Stanford financial advisors who had knowledge of an inquiry by the SEC that questioned the SIB CD they were selling should have ceased selling the products until they were satisfied that the SEC's concerns were unfounded.

Financial Advisors Were Aware of Customer Concerns

56. SIB customers were also raising concerns with their financial advisors that should have prompted further investigation. In early 2007, a prospective SIB client produced an analysis and criticism of the SIB CD product and sent it to his financial advisor, Tim Vanderver. *See* Billy Hall SIB CD Analysis, Ex. 9, Appx. 192-94. The analysis essentially concluded that SIB was a Ponzi scheme—SIB was “susceptible to a dependence on new deposits and renewed certificates in order to continue paying investors the guaranteed CD interest and the principal of maturing CDs” because only a small drop in the equities markets would likely render its assets insufficient to meet its liabilities; and further that SIB's liabilities were already close to equaling or exceeding its assets.

57. The Hall memo was circulated to multiple Stanford employees. In addition to in-house counsel Glen Rigby, at least the following other employees received a copy of the

analysis: Maggie Schiffer; JC Bradham; Jason Green; Suzanne Hamm; Bernerd Young; and Lori Guyton. Indeed, one of the financial advisors who has a held account, Tim Vanderver, was instrumental in creating a misleading and largely irrelevant response to the prospective customer, which emphasized, among other things, SIB's "well diversified" portfolio; the various insurance policies SIB maintains; and SIB's "strong cash flow", none of which Vanderver had a reasonable basis for asserting. *See* Vanderver Response to Hall Analysis, Ex. 10, Appx. 195-98. Despite having notice of the above facts and his own customer's concerns about SIB CDs, Vanderver increased his client SIB CD portfolio to \$28 million by 2008. Between January 2006 and February 2009, Vanderver received \$510,819 in SIB CD commissions, \$208,168 in SIB quarterly bonus, and \$980,000 in forgivable loans.

58. In 2008, a prospective SIB client's CPA sent an email to Jason Green and Chuck Vollmer that questioned SIB's suspiciously consistent investment returns and all but concluded that SIB and Allen Stanford were the next Madoff. *See* Ex. 12, Appx. 207-08. The CPA wrote "I'm not totally comfortable with Stanford International Bank", noting that SIB's audit firm was unknown to him, and concluding that SIB "just seems to good to be true." He asked "How do I know . . . [SIB's] consistent growth in assets and remarkably steady financial performance . . . is real? I know that seems like a rude question." In the ensuing internal discussion, one financial advisor added: "More disclosure on the current firm as well as the regulatory bodies that certify our financial soundness would be helpful."

59. The Stanford financial advisors faced with similar customer concerns should have ensured that the CDs they were selling were in fact legitimate and that there was no basis for their customer concerns.

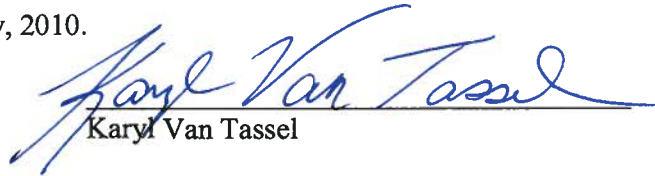
Financial Advisors Were Aware of Concerns Raised By Tidwell and Rawl

60. In July 2008, Bloomberg published an article stating that the SEC was “investigating sales of certificates of deposit by Stanford Group Company at its offshore bank, which has \$6 billion in assets in Antigua.” The article also noted that the SEC had issued subpoenas to two former SGC financial advisors who were allegedly forced to resign in 2007 because they refused to participate in SGC’s “illegal and unethical” marketing methods, Charles Rawl and Mark Tidwell. The subpoenas sought information about the sale of SIB CDs and requested copies of training materials on SIB CD sales methods. The article prompted much discussion among both Stanford employees and SIB CD investors, and led several investors to withdraw their funds from SIB. *See, e.g.*, exhibit **KVT-12** at 1 (Ed Ventrice asked Scott Chaisson and Jason Green, “[W]hat’s the deal with this, is this place a ticking time bomb?”); exhibit **KVT-13** at 1 (Michael MacDonald wrote the following to Brenda Bohs, Michael Bober, and Ed Ventrice: “‘Oh the web we weave[.]’ Let’s hope they are lying [a]nd sgc is not doing something underhanded”); Doug Shaw Email, Ex. 15, Appx. 215-16 (writing to Jay Comeaux: “Lost more \$ from SIB due to the Tidwell article. Have you had any issues with it?”); Robert Barrett Email, Ex. 16, Appx. 217-18 (notifying Jay Comeaux that a former client of Tidwell’s had redeemed a CD prior to maturity, which “was most likely the result of the Bloomberg article”). In addition to being widely circulated within the company, the Bloomberg article was of course available to the public. When faced with allegations of fraud such as these, the Stanford financial advisors should have refrained from selling the SIB CDs unless and until they had a full understanding of the Rawl and Tidwell allegations and determined that they were untrue.

CONCLUSION

61. Based on FTI's investigation and the facts discussed herein, it is my opinion that the Stanford financial advisors were aware of information that should have caused them to investigate the SIB CD. Had they attempted to perform an adequate investigation, I believe they would have been thwarted in their efforts and would not have received adequate answers. In that event, the financial advisors should have suspected the SIB CD program was a fraud. Of course, had they inquired and received truthful answers, they would have known it was a fraud.

Executed this 24th day of May, 2010.


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Karyl Van Tassel is a senior managing director in the FTI Forensic and Litigation Consulting practice and is based in Houston. Ms. Van Tassel has twenty-five years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services. Ms. Van Tassel has been designated as an expert on valuations of closely held businesses, other economic damage claims and forensic accounting issues and has performed detailed financial analyses in a variety of litigation matters, including securities, intellectual property, breach of contract, antitrust, lender liability, fraud and wrongful terminations. She has also been retained by audit committees to assist in investigating allegations of accounting and financial improprieties.

Prior to joining FTI, Ms. Van Tassel was a partner in KPMG's Forensic Dispute Advisory Services practice. Prior to that she was a member of the litigation and bankruptcy consulting divisions of two national accounting firms as well as a regionally based firm, where she provided financial advisory services to the legal and insurance professions and private industry. She has also provided audit and tax services to auto dealerships, construction clients and governmental agencies. In addition, she has provided accounting services and investment analysis to a financial institution.

Professional Experience

Forensic Accounting

- Retained by court appointed receiver to investigate and track \$85 million of funds embezzled by the CFO of a Texas energy company. Searched the company records to determine the amount of the embezzled funds, and determine the various schemes used to remove the funds from the company. After tracing the amount removed from the company, then traced assets through multiple shell companies and personal bank accounts, utilizing accounting information and electronic data obtained through email, hard drive and server sources. Worked with receiver on monetizing assets recovered.
- Involved in various investigatory matters related to compliance with Foreign Corrupt Practices Act (FCPA), including assisting a monitor appointed under a deferred prosecution agreement of a company to analyze accounting and internal control procedures. Prepared work plan for compliance testing and directed site visits, conducted interviews and assisted in preparing report of findings. As a result of our work, have reported to head of enforcement at the Department of Justice. With the three year term of the monitorship, have ongoing responsibilities for follow up with the company and oversight of responses to monitor's requests and reported findings, as well as follow up site visits for each year.
- Retained by audit committee of a drilling company to investigate issues related to potential FCPA violations. One issue involved potential payments by the company to paramilitary groups in a Latin American country for protection of its rigs against attack. Work involved determining whether payments were made by false invoices from an authorized vendor, the authenticity of the endorsements and bank accounts used for payments to these vendors,



and the background investigatory work to determine ultimate recipient of funds.

Additionally, investigated payments made in a West African country to a freight handler and potential governmental authorities. Analyzed invoices and payments, traced cash used to fund payments to the various entities to determine source of the funds, determined completeness through general ledger testing, and compiled findings for reporting to the Department of Justice.

- Retained by the audit committee on matters related to allegations of round trip trading in the energy industry. Assisted in providing multidisciplinary teams to extract data, analyze trades, document risk management practices and analyze appropriate accounting treatment, including potential restatement. Reports provided to audit committees to assist them in responding to SEC inquiries and investigations.
- Retained by company to perform analysis of costs incurred for provider of energy in submitting a claim in the refund of overpayments related to the California power settlements. Reviewed regulatory filings to determine if costs and methodologies complied with FERC guidelines and state mandates. Analyzed source documents as well as documenting the methodology utilized for compiling the information.
- Retained by counsel for a special committee of a publicly traded software company to investigate allegations of potential backdating of stock options. Led a team of accounting and electronic evidence personnel to assist in acquiring and analyzing written and electronic information related to the stock option process and individuals involved. Worked extensively with counsel analyzing accounting issues related to measurement dates and the appropriate accounting of stock grants for new hires, new account acquisition, employee ranking, compensation in lieu of cash, and sales incentive plans. Analyzed appropriate accounting treatment and estimate of annual financial impact based upon alternative measurement dates. Reported results to Board of Directors and auditors of the company.
- Retained by the audit committee of an electronics company to investigate allegations by the SEC related to revenue recognition issues, overstatement of inventory and property, plant and equipment and self-dealing by top level executives. Company eventually settled with the SEC and announced restated financial statements
- Retained by the audit committee of Fortune 500 company to analyze historical accounting issues related to accounting for long-term construction contracts. Issued report and had meetings with the SEC to discuss findings and accounting issues.
- Analyzed historical rates of return for a variety of mutual funds and equity investments to determine the impact of various investing options related to the assets of a trust. Compared actual returns to several indices to determine the difference and the potential damages allegedly incurred by the trust.
- In a securities matter related to the mining industry, analyzed the impact of the accounting and financial disclosures on the stock of a company. Analyzed various returns on equity investments for guideline companies in the industry as well as equity indices to measure impact of announcements and disclosures on the company stock.
- Retained by a hospital chain to analyze billings to Medicaid and insurance providers to determine if billings were appropriate based upon contractual provisions and consistent with the patients file and diagnosis. Worked with multidisciplinary team to consisting of computer

specialists to retrieve data, database specialists to analyze information and medical personnel to review medical files.

- Retained to analyze various factors and transactions in matters asserting alter ego claims. Involved in a variety of matters where we provided detailed analyses of corporate governance, financial operational and control factors to determine the extent to which the information would indicate the existence of separate entities.
- Involved in analyzing various complex financial and accounting transactions regarding alleged improprieties in a variety of industries, either for internal investigations or litigation.
- Analyzed accounting treatment of revenues and related party disclosures for a defendant in a securities matter. Software company allegedly had overstated revenues by inappropriate application of accounting principles and improperly disclosed various related party transactions.
- Analyzed and traced assets between various related and affiliated companies, which involved complex accounting treatments. Traced cash and other assets to offshore companies. Testified in hearing for contempt of court regarding the disposition of certain cash receipts subsequent to the issuance of a temporary restraining order that limited the transfer of assets.
- Analyzed the alleged fraudulent activities of two major auto body repair shops for an insurance company. Determined the overall profitability of the auto body repair shops compared to the industry as a whole. From a large production of documents, also determined the availability of financial documents from the body shops, and their relationship to and substantiation of the results of inspections performed on vehicles after the repairs were completed. Assisted the economist in regards to the total business conducted over a 15-year period and extrapolated sample results to the entire population.
- Reconstructed the trust accounts of a real estate company after a fire suspected to be caused by arson. Determined amounts had been misappropriated for the personal use of various brokers. Analysis used in criminal investigation.
- Analyzed the accounts of a real estate developer accused by a family trust of misappropriation of funds. Analysis included complex transactions between 22 related partnerships. Included database extractions of various computers and synthesizing thousands of records to determine ultimate disposition of proceeds from investments.
- Retained by a lender to the defendant in a case involving an alleged ponzi scheme in the computer hardware industry. Analysis included determining the flow of transactions in the company between actual business operations and alleged fraudulent activities. Utilized large-scale database application to track transactions within the company, to the bank and to the potential investors. Analyzed the companies banking transactions to determine if the bank had allowed a "float" on the account, which the trustee alleged to be an additional loan to the company from the bank. Engagement resulted in settlement with company trustee.
- Analyzed the billings of a construction company related to the renovation and partial construction of a residence. Analyzed application of percentage of completion in monthly billings to determine overcharges throughout a three-year construction period.
- Analyzed the costs of producing a compact product for shipping hazardous materials.

Determined if improper allocations were made based upon cost accounting theories, resulting in overcharging to clients.

Contract Disputes

- Analyzed the payments made under a treaty whereby client ceded obligations under a reinsurance agreement in the variable annuity business. The allegations involved whether the contract was wrongfully terminated if underpayment of premium had not been made by insurance company to reinsurer. The issues involved included obtaining an understanding of the payment terms for the reinsurance coverage over an extended period on reinsurance of the guaranteed minimum death benefit of variable annuity life insurance policies. Led a multidisciplinary team working with large volumes of transactions data. Team included data analysis and electronic discovery specialists for the extraction of data over an extended time period with millions of transactions. Also, worked with actuaries to understand variables assumed in their analysis of the book of business and with underwriters to understand policies and procedures. Testified in arbitration that client had not underpaid over the period of time at issue in the matter.
- Analyzed the economic damages in a breach of contract and tort matter between client insurance company and a third party administrator. Analyzed the damages alleged by plaintiff's damage expert and provided rebuttal analysis of damages. Issues in the damage calculation related to valuation of a book of business for dread disease policies and calculation of amounts owed under a contract.
- Analyzed the economic damages sustained by an investor in a failed joint venture in a urea plant in Columbia. Opinion included a valuation of the business enterprise as of the date of the alleged breach, involving various analyses of the urea market, the prospective operation results and ability to attract lenders.
- Analyzed the lost profits sustained by a petrochemical company related to an alleged breach of a joint venture/operations agreement. Issues related to imbalance in the manufacturing facility due to inappropriate levels of various feedstock to the plant. Inability to maintain contracted levels of product forced inefficient plant operations, decreasing profitability.
- Analyzed the lost profits to a large engineering firm related to the inability to complete the construction of a polystyrene plant in the Middle East due to the Gulf War. Analysis involved analyzing the percentage of completion methods and determining profit at time of invasion, compared to projected profit had the event not occurred. Claim was submitted to the neutral arbitrators in Switzerland.
- In a breach of contract dispute, analyzed the economic losses sustained by the creator and distributor of personal care products. Analysis included working with a marketing expert to determine effects of demographic differences of consumers on buying habits and its impact on the subject company's profits and long-term viability.
- Analyzed the economic damage claim of a producer of accounting software. Provided testimony with regard to the out-of-pocket costs incurred for an internally developed product, which was used to replace the component, which the defendant did not deliver. Also analyzed the lost profit damages under a first to market theory.
- Analyzed the lost profits of a used car dealership related to a breach of contract. Analyzed